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11 June 1980

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2016

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CEMA ECONOMIC ASSISTANCE TO AFGHANISTAN DETAILED

East Berlin AW DDR-AUSSENWIRTSCHAFT in German No 13, 26 Mar 80 p 2

[Article by Information and Public Relations Department, GDR Ministry for Foreign Trade: "Democratic Republic of Afghanistan: CEMA Countries Promote Economic Development"]

[Text] The restructuring of foreign trade is an important part of the program of democratic and social reforms in the Democratic Republic of Afghanistan [DRA]. At the present time, private industry is still responsible for most of Afghanistan's foreign trade.

State enterprises deal, among other things, with the import of machines and equipment, petroleum products, chemical fertilizers, sugar, wheat, medicines. In the export trade, state enterprises have a monopoly for oil and cotton.

Foreign Trade of Afghanistan

	1975/76[1]	1976/77[1]	1977/78[2]	1978/79[2]
		in million U. S. dollars		
Volume	573.0	645.0	391.3	451.3
Export	223.4	297.3	176.5	185.2
Import	349.6	347.7	214.8	266.1

1 From 21 March of respective year to 20 March of following year

2 From 21 March to 21 November

In order to strengthen state control over the activities of private businesses, which play the most important role in the trade of the DRA with capitalist industrial and developing countries, the DRA government had established import associations according to trademarks. In the future, the establishment of trade associations for the export trade is planned.

In addition to these associations, which include only private businessmen, the Export-Import Association "Halk" was established in 1978, in which 51 percent of the capital belongs to the state. This association has established monopolies for the import of automobiles, hunting weapons, powdered milk, razor blades, radios and tape recorders as well as synthetic yarn.

USSR--Largest Trade Partner

The USSR is the most important trade partner of Afghanistan.

Foreign Trade With the USSR

	1970	1977	1978
		in million rubles	
Volume	66.9	190.1	215.0
Export	36.0	113.6	139.3
Import	30.9	76.5	75.7

The share of state enterprises in the foreign trade between the USSR and Afghanistan is about 80 percent.

The main USSR export items to Afghanistan are petroleum products, cement, wheat and sugar, as well as machines and equipment. The USSR imports primarily oil, cotton, fibers, dried fruit and wool from Afghanistan.

In 1979, the USSR considerably increased its exports of machines and equipment to the DRA. Afghanistan, on its part, increased shipments of cotton fibers, skins, nuts and other products.

Within the framework of technical and economic cooperation between the USSR and Afghanistan 71 projects have so far been started for the national economy of the young republic.

In 52 of these, Soviet specialists are assisting with the production process. For future years 60 additional major projects are planned.

The projects completed so far are, among others, two important superhighways, Shiran Airport at the Amu-Darja, an irrigation project in Jalalabad, and extensive oil exploration projects by Soviet geologists in Afghanistan, which made possible increases in oil exports. Among the projects planned for future years are an oil refinery and two high-voltage power lines. By 1984, another oil deposit is to be taken into production and a sulfur purification plant is to be built. Afghanistan's five-year plan also includes the construction of several bridges and oil storage tanks in which the USSR will participate.

CSSR Main Supplier of Machine Construction Products

Foreign trade between the CSSR and Afghanistan developed as follows over the past years:

Foreign Trade With the CSSR

	1975	1976	1977	1978
	in million U. S. dollars			
Volume	6.7	10.6	34.5	26.5
Export	4.6	26.4	26.6	22.1
Import	2.1	4.2	7.9	4.4

The main CSSR export items to Afghanistan are, among others, equipment for cement factories and mines, medical supplies, road construction machines, diesel engines, pumps, trucks, motorcycles, mopeds, equipment for plants of the leather goods industry, compressors, moving cranes, cutting tool machines, shoes and luxury items.

From Afghanistan the CSSR imports primarily linseeds, sesame seeds, cotton, sheepskin coats, skins, linen fabrics, raisins, nuts, carpets and other craft products. For 1979, a trade volume of U. S. dollars 35.4 million was planned for the two countries (an increase of 13.4 percent over the previous year).

In 1979 the CSSR shipped to the DRA, in addition to the items mentioned above, land improvement equipment, machines for the textile and leather goods industry, household appliances, automobile tires, cameras, glass products, paper, chemical products and shoes.

On the basis of the Agreement on Economic Cooperation of 17 December 1973, the CSSR granted Afghanistan credit amounting to 50 million U. S. dollars. In conjunction with this credit, the following items were shipped to Afghanistan:

--equipment for the cement factory and electric power plant in Herat,

--mining equipment in Daray, Souf and Sabzag,

--equipment for the modernization of the traffic network in Kabul, as well as diesel engines, trucks, compressors, cranes and road construction machines.

In January 1979, the CSSR was visited by a delegation from Afghanistan whose members held discussions with different foreign trade enterprises.

They agreed on shipment to the DRA of Tatra and Skoda trucks, diesel engines, hoisting cranes, construction machines, pumps and land improvement technology with a total value of 10 million U. S. dollars.

Agreement With Bulgaria On Joint Construction of Industrial Projects

The People's Republic of Bulgaria and Afghanistan has established a joint commission for economic and scientific-technical cooperation which deals with the practical enactment of projects decided by agreements, and guarantees a continuous long-range cooperation between the two countries. Bulgaria expressed its readiness to support the fulfillment of Afghanistan's 1979-1984 Five-Year Plan.

In August 1979 the two partners signed agreements on, among others, the following projects:

--on economic and scientific-technical cooperation,

--on the granting of credits by Bulgaria,

--on cooperation in agriculture, the food industry and land improvements,

as well as a regulation for the work of the joint commission on economic and scientific-technical cooperation.

Within the framework of the credit agreement Bulgaria promised to project and supply equipment for a number of industrial projects. These include a leather goods plant, a brickyard, two fish-processing plants, the reconstruction of a canning factory, a wine press plant and a cattle breeding complex. An agreement was made to establish joint enterprises for the production of cotton and grain and for the processing of leather goods and also a joint company for international automobile transport. The construction of a large poultry collective is also being discussed.

Plans for this year provide for an increase of 50 percent in the goods exchange between Bulgaria and Afghanistan, which had reached record volumes in 1979. The chief Bulgarian foreign trade suppliers are, in addition to others Balkancar, Industrialimport, Farmakhim and Bulgarkonserv.

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WEST CREDIT FOR CEMA NATIONS CURTAILED

Duesseldorf WIRTSCHAFTSWOCHE in German Vol 34 No 16, 18 Apr 80 p 16

[Unattributed article: "Less Credit"]

> [Text] Soon, Eurocredit on special terms may no longer be available to East bloc nations. Banks are using more and more restraint, hoping for a rise in interest rates in East trade.

At first glance, it appears that trade with East bloc countries is in pretty good shape: In 1979, German enterprises shipped to state-trading nations (with the exception of Cuba) goods in the amount of DM 18.8 billion, 7 percent more than the preceding year.

But things are not what they seem. "Short-term prospects for German trade with the East must be viewed with certain reservations," is a statement found in MERKBLAETTER FUER DEN AUSSENHANDEL, published by the Berlin Bank for Trade and Industry Inc. The primary reasons are not of a political nature, as might be suspected.

Anyway, without the export to the People's Republic of China, which increased by at least one-third (DM 750 million), shipments to the East rose only approximately 3 percent. The Berlin bank presumes that "in reality there was no increase at all. There is talk about an end to the period of expansion, even under favorable political conditions."

The skeptical prognoses are based on solid reasons, which have already had a negative effect on financial markets: poor harvests in CEMA nations, a rapid rise in the price of oil and increased debts to the West, which in 1979 rose by $4 billion to $60 billion. They are limiting the scope of urgently needed imports of raw materials and feed. Of course, the USSR is not included. It is not only considered the first credit reference, but, in addition to raw material securities, it also has considerable foreign currency assets from gold sales which, if needs be, can even be used to avoid the establishment of net credit.

In contrast to the USSR are countries like Poland and Bulgaria, whose burdens of debts owed to the West constitute more than 40 percent of their export income.

The curtailment of credit is particularly evident in those areas which are not guaranteed through Hermes or trust bonds, in other words, those transactions involving Eurocredit and forfeitures when banks buy outstanding accounts from Western suppliers. The enormous rise in interest rates on the Euromarket has lessened the willingness of banks to grant credit at the smallest margin.

Anyway, CEMA nations are no longer able to secure credit in amounts that exceed $500 million. Until recently, CEMA nations preferred cheaper, freely financed credit. East Berlin, for instance, fears that "we are being gypped most of the time when suppliers extend the credit." Still, the GDR, at least with regard to trade with the FRG, is still enjoying a specially favored position, since it is able to fall back on interest-free overdraft credit (swing) in the amount of DM 850 million annually. The fact that Bonn is currently not contemplating a reduction for swing, may also have had a positive influence on last week's talks between SED Politburo member Guenter Mittag and FRG Minister for Economics Otto Graf von Lambsdorff about the perspectives for Inner-German trade.

But the times are gone when loans were practically thrown at CEMA nations. The GDR had to scale down its last Eurocredit request from $150 million to $100 million; nevertheless, it was still able to negotiate the best terms since 1973. But margins of one-half percent above libor (London Interbank Offered Rate) seem definitely to be a thing of the past.

Until a few days ago, the German Foreign Trade Bank in the GDR (as well as the CSSR and Hungary) strongly objected to higher margins. In the meantime, however, while negotiating a fairly large Eurocredit, Hungary declared its willingness to accept a rate of three-fourth percent; for a long time, one-half percent had been the upper limit.

In the course of the reduction in credit granted on the Euromarket, CEMA nations had to revert increasingly to the less popular supplier-extended credit and transactions involving forfeitures. The fact that higher interest margins may be implemented on a permanent basis, is also related to the decrease in competition among banks. Still, there is no direct consideration of an Afghanistan surcharge. Nevertheless, the margins include also risks associated with special debts which since Afghanistan have been rated much higher than was the case during the euphoria of past years. It has also affected the terms, reducing the years from 10 to between eight and seven.

East European nations have not yet adjusted to the new situation. They do not accept the cost arguments of banks and interpret the restraint in credit transactions as politically motivated. Nevertheless, banks can currently earn more when dealing with other Eurodebtors--a matter of simple arithmetic.

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INTERNATIONAL AFFAIRS

STAGNATION SEEN LIKELY IN GDR-USSR TRADE

Cologne DEUTSCHLAND ARCHIV in German Vol 13, No 3, Mar 80 pp 225-228

[Commentary by Siegfried Kupper: "Planned Stagnation; On the Future Development of Economic Relations Between the GDR and USSR"]

[Text] GDR economic planners are just beginning to get a rough idea of the targets for 1981-1985, but the GDR media are already discussing the medium-term prospects for GDR-USSR trade relations. Based on statements made at the 11th Plenum of the SED Central Committee last December and the release this February of the GDR-USSR coordinated plan for 1981-1985, it is plain to see that the exchange of goods between the GDR and its largest trading partner will not increase at the same rate as during the current five-year plan. But this conclusion is not reached until one compares the recently announced target figures with the actual results achieved over the past few years. At first glance, the pronouncements of NEUES DEUTSCHLAND create the impression (as they often do) of an irresistible upward trend.

According to NEUES DEUTSCHLAND, the speech of the SED Secretary-General at the 11th Plenum was interrupted only once by "loud" applause when he thanked the Soviet leadership "for the understanding they are showing for the specific problems of the GDR."[1] He was referring to Soviet pledges of raw material deliveries to the GDR during the 1981-1985 Five-Year Plan. At first glance, the figures cited are impressive. During the next five-year plan cycle the GDR will receive from the USSR "95 million tons of petroleum, 32.5 billion cubic meters of natural gas, 21 million tons of hard coal, 8.5 million tons of iron ore, 4.8 million tons of pig-iron, 650,000 tons of aluminum, 211,500 tons of copper, 7.7 million cubic meters of sawed timber, 457,000 tons of cellulose and 440,000 tons of cotton."[2]

These figures indicate that Soviet deliveries of petroleum, natural gas, cellulose and cotton will continue to rise during the next five-year plan as compared to the current cycle; the hard coal and copper deliveries will stagnate. As for the other raw material deliveries, they cannot be compared because there are no pertinent figures available for the 1976-1980 cycle.[3] The "announcement concerning the GDR-USSR coordinated plan for 1981-1985" confirmed and complemented the information given at the 11th Plenum.

According to the "announcement," the GDR will be receiving slightly more rolled steel during the 1981-1985 cycle than during the 1976-1980 period.[4]

At first glance, it seems as though the Soviet Union will continue to promote the expansion of the GDR's economy by increasing its raw material deliveries. But a comparison of the projected average annual deliveries for 1981-1985 and those for 1980 shows that deliveries of petroleum, natural gas, iron ore, sawed timber, aluminum and copper will stagnate at the level of 1980.[5] The GDR must import any other raw materials from nonsocialist countries and make hard currency payment for them. The GDR will have to give precedence to these imports in lieu of investment and consumer goods imports it has made so far.

Nonetheless, the SED delegates to the 11th Plenum did have reason to be pleased. The Soviet raw material and fuel deliveries do make up "the major part of the import requirements...in these fields."[6] Honecker was right when he told the kreis party secretaries in late January that "no capitalist industrial nation could lay claim to such a solid base in this crucial field no matter what it were willing to pay for these valuable raw materials."[7] Subsequently, the SED secretary-general dealt with the price increases in the CEMA area. Price rises in trading with the CEMA countries "have taken place" and will "continue to do so," Honecker said. In other words, the quantities are firm, but the prices are not.

There are continuing discussions within CEMA concerning the extent of the Soviet price increases. There are two references to such a tug-of-war in the communique issued after the 93d session of the CEMA executive committee. On 17 January the executive committee met in Moscow and "adopted recommendations on contract prices for mutual trade among member countries during the upcoming five-year cycle." The next sentence read: "In addition, a discussion on improving pricing methodology in mutual trade was held."[8] Thus it appears that it proved impossible to agree on all the details. Soon after, there were Western press reports confirming the differences with regard to the existing pricing formula which permits the Soviet Union to fix prices for its oil deliveries annually, based on the average world market price over the past 5 years. In Moscow, the Soviet Union is said to have pressed for fixing prices every 3 months, based on the preceding 3-month average.[9] If these reports are true and the Soviet Union should prevail, the GDR would lose the advantage it has held in its trade with the Soviet Union up to now. The foreign trade position would take still another dramatic turn for the worse. In his speech to the kreis secretaries Honecker said that the GDR paid "about 30 to 40 percent less for oil and natural gas deliveries from the Soviet Union in 1979 than the average price on the capitalist market at that time." Raw material deliveries from the Soviet Union would thus become about this much more expensive, if these Western news reports turn out to be correct.

It is evident that the economy of the GDR could not cope with a price increase of this magnitude. The standard of living would fall rapidly and drastically and the population would not take this lying down. The Soviet price increases would become a security problem for the SED. When the discussions about the GDR-USSR coordinated plan for the next 5-year cycle were held, Honecker told the chairman of the Soviet State Planning Commission, Nikolay Baybakov, that he wanted the existing pricing formula to be retained. He said it had proven especially advantageous that prices for Soviet deliveries "were below those on the capitalist world market, in accordance with CEMA principles."[10]

Some 60 percent of all the GDR imports from the Soviet Union are mining products, basic materials and producer goods. The fact that these imports are stagnating has a marked impact on the foreign trade picture. During the next five-year plan cycle movement of goods with the Soviet Union, "based expressly on 1979 CEMA prices,"[11] is to amount to R 48 billion (240 billion marks).[12] This would represent an increase of about 30 percent as compared to the current five-year plan. During the current five-year cycle the nominal increase over the 1971-1975 period is expected to be about 80 percent. There is no telling what the nominal rate of increase between 1981 and 1985 will be. Average annual growth in real terms will be just a little over two percent, if one takes into account that a R 9 billion turnover has already been planned for this year.[13]

So, if the GDR and the Soviet Union are planning not to increase Soviet raw material deliveries at the present rate in the future,[14] this may be due to two considerations:

On the one hand, the Soviet Union may not be able to come up with the quantities required and on the other, the GDR economic leadership may have come to realize that the economy cannot produce enough for export to make up for substantially higher imports and that is will be impossible to obtain additional credits.

Chances are that both factors enter into the equation.

However that may be, this planned stagnation of important raw material imports from the Soviet Union will hamper economic development. The growing shortage of energy and raw materials coupled with the chronic labor shortage will slow down the rate of development still further unless the hoped-for "rationalization drive" to effect the changeover from "extensive" to "intensive" growth succeeds in short order. Foreign trade will provide few impulses, if any, for further growth. The 1980 plan figures show ("zero growth" in investments and stagnating private consumption in real terms coupled with increased exports) that foreign trade burdens (a worsening of the Terms of Trade and increased debt payments) may cause the production of goods by the economy as a whole to outstrip domestic use. If investment activity, particularly to increase efficiency, is not reinvigorated, this will inevitable lead to losses in productivity and, in turn, to general economic stagnation. But, even if productivity can be increased more quickly than at present, the standard of living will scarcely rise. A recent statement from the GDR has it that the GDR "has for some time experienced a period of rising raw material costs. An end to this...state of affairs is not in sight. Which means that we must achieve a gain in productivity and efficiency just to make up for the price increases of our raw material imports. But this by itself is not enough to permit us to continue building on our social programs."[15]

Judging by the published base figures, GDR dependence on Soviet raw materials will not increase further. But economic dependence generally may increase just the same. If the economic plans are coordinated even more closely, if the specialization of production is vigorously pursued and if cooperation in science and production is accelerated, economic dependence may increase without the foreign trade statistics giving any indication of it.

The pros and cons of the growth of interlocking economies have recently been the subject of more or less open debate in the GDR. An article in the January issue of WIRTSCHAFTSWISSENSCHAFT states that specialization and cooperation in production is proving to be "a more and more important prerequisite for further intensifying social production."[16] But the same article also makes the following point: "To be able to export complete machine systems and installations and to ensure greater export flexibility, a wide selection of finished products must be produced. The specialization and cooperation arrangements within the CEMA framework have already reduced the GDR production assortment to such an extent in some areas that any further reduction could not be effected without difficulty."[17]

FOOTNOTES

1. NEUES DEUTSCHLAND, 14 Dec 79, p 4.

2. Ibid.

3. In the five-year plan cycle 1976-1980 the GDR contracted for imports from the Soviet Union amounting to 88.2 million tons of petroleum, 21.6 billion cubic meters of natural gas, 21 million tons of hard coal, 15.9 million tons of rolled steel, 375,000 tons of cellulose, 425,000 tons of cotton and 212,000 tons of copper. Gerhard Schuerer, "Strengthening the Energy and Raw Material Base of Our Country," EINHEIT, No 12, 1978, p 1249.

4. "Announcement Concerning the GDR-USSR Coordinated Plan 1981-1985. Significant Steps along the Path of Specialization and Cooperation," NEUES DEUTSCHLAND, 6 Feb 80, p 3.

5. Soviet deliveries to the GDR in 1980 amounted to 19 million tons of petroleum, 1.7 million tons of iron ore, 6.5 billion cubic meters of natural gas, 3.2 million tons of rolled steel, 85,000 tons of cotton, 1.5 million cubic meters of sawed timber, 130,000 tons of aluminum and 42,300 tons of copper. "With Lots of Imagination and Drive toward the

Solution of New Tasks. Address by Werner Krolikowski, 1st Deputy Chairman, Council of Ministers, in Support of the Law Concerning the 1980 Economic Plan," NEUES DEUTSCHLAND, 22-23 Dec 79, p 4.
Average annual deliveries by the USSR to the GDR for 1981-1985 will amount to 19 million tons of petroleum, 1.7 million tons of iron ore, 6.5 billion cubic meters of natural gas, 1.3 million tons of bituminous coke, 4.2 million tons of hard coal, 0.96 million tons of pig-iron, 91,000 tons of cellulose, 88,000 tons of cotton, 1.5 million tons of sawed timber, 130,000 tons of aluminum and 42,300 tons of copper.

6. "Meeting between Erich Honecker and Nikolay Baybakov. Cooperation with USSR Attains New Level," NEUES DEUTSCHLAND, 5 Feb 80, p 2.

7. "Discussion of the Secretariat of the SED Central Committee with the 1st Secretaries of the Kreis Administrations. Address by Secretary-General of SED Central Committee, Erich Honecker: The Tasks of the Party in Executing the Decisions of the 9th Party Congress." NEUES DEUTSCHLAND, 26-27 Jan 80, p 2.

8. "Discussing Cooperation for the Coming Years. Communiqué Issued by 93d Session of CEMA Executive Committee," NEUES DEUTSCHLAND, 19 Jan 80, p 6.

9. "Is Moscow Raising Oil Price? Comecon Countries Are Worried," FRANKFURTER ALLGEMEINE, 4 Feb 80, p 1.

10. Loc. cit. (footnote 6).

11. Loc. cit. (footnote 4).

12. Loc. cit. (footnote 1).

13. "GDR-USSR Trade Hits 9 Billion Rubles," NEUES DEUTSCHLAND, 23 Jan 80, p 1.

14. During the current five-year plan cycle, Soviet oil deliveries rose an average of 4.7 percent annually.

15. Hans Hermann, "Today Is Not the Same As Yesterday," SOZIALISTISCHE FINANZWIRTSCHAFT, No 1, 1980, p 2.

16. Heiko Polten, Hans Pomerenke, "Characteristics and Developments in International Socialist Specialization and Cooperation of Production Pointing to Socialist Economic Integration," WIRTSCHAFTSWISSENSCHAFT, No 1, 1980, p 61.

17. Ibid., p 57.

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CEMA COOPERATION IN ELECTRICAL ENERGY DEVELOPMENT OUTLINED

East Berlin AW DDR-AUSSENWIRTSCHAFT in German No 13, 26 Mar 80 p 1

[Article by Information and Public Relations Department, GDR Ministry for Foreign Trade: "CEMA Countries Develop Electrical Energy Management According to Plan and Jointly"]

[Text] The further dynamic economic development of the CEMA countries requires meeting the growing economically justified demand for electrical energy.

The energy industry in the CEMA countries is developing dynamically. In the 1970-1978 period alone, production of electrical energy rose from 988 billion kWh to approximately 1,615 billion kWh. According to preliminary calculations, by 1990 the energy requirements in the United Energy Systems of the CEMA countries, including the energy system of the European part of the USSR, will be approximately 2.5 times the present level. The CEMA countries are taking these requirements into consideration with their long-term basic program of cooperation in the areas of energy, fuels and raw materials. The most important measures call for the accelerated development of industrial nuclear energy, increasing output and more efficient use of their own industry energy resources, further development of the United Electrical Energy Systems, better processing of petroleum and natural gas with simultaneous reduction in their use as a fuel, and the general development of scientific-technical cooperation for developing new energy source.

Primary Growth in Thermal and Nuclear Power Plants

Provision is made for primary growth in electrical energy production by starting operation of new capacities in thermal and nuclear power plants. In the CEMA countries the generating capacity in thermal and nuclear power plants will increase by a total of 13 million kW between 1976 and 1980. Energy projects which have been expanded or which are to be built new include

--The Maritsa-Ost III and Varna thermal power plants and also the second increment of the Koslouy nuclear power plant in the People's Republic of Bulgaria,

--the Dunamenti and Tisza thermal power plants and the Paks nuclear power plant in the Hungarian People's Republic,

--the second increment of the Bruno Leuschner nuclear power plant and the Boxberg and Jaenschwalde thermal power plants in the GDR,

--The Polonez and Kozienice thermal power plants in the Polish People's Republic,

--The Jaslovske Bohunice ar Dokuvany nuclear power plants in the CSSR.

The further development of industrial thermal energy in the CEMA countries will be accomplished by the efficient use of native energy resources--hard coal, brown coal, lignites, oil shale--and also directly by the general expansion of specialization and cooperation in the production of appropriate efficient energy-producing equipment.

Accelerated Development of Industrial Nuclear Energy

One of the chief directions in the cooperation among CEMA countries, which was set forth in the long-term basic program, is the general development of industrial nuclear energy. In the European CEMA countries and Cuba nuclear power plants with a generating capacity of about 37 million kW will come into being by 1990. Beyond that, in the USSR two nuclear power plants are being equipped for 4 million kW each; they will deliver electrical energy to the neighboring CEMA countries. At present, nuclear power plants are in operation in Bulgaria, the CSSR, the GDR and the USSR. In Hungary the first nuclear power plant is presently being built, in Poland, the SRR [Socialist Republic of Romania] and in Cuba construction is in preparation. This year the CEMA countries will produce about 200 billion kWh of electrical energy in nuclear power plants and will thus take care of about 10 percent of their total consumption.

VOPROSY EKONOMIKI, a Soviet economic journal, indicates that by 1990 about 25 percent of the total consumption in the CEMA countries will be from energy produced in nuclear power plants. In individual countries the share of electrical energy production in nuclear power plants will be significantly higher. Thus, in 1990 nuclear power plants Bulgaria will provide 50 percent of electrical energy production, and in Romania 25 percent.

For accelerated development of the nuclear energy industry the CEMA countries are jointly guaranteeing the material-technical base through the development of multilateral cooperation in the production of nuclear power plant equipment. The USSR, which can draw on enormous experience and an efficient base in production and science for the construction of nuclear power plants, is supporting the other CEMA countries in the accelerated development of the nuclear energy industry. It is speeding up the expansion of the production base for nuclear power equipment, including the construction of the specialized large enterprise Atommash in Volgodonsk. In the other European CEMA countries the production of equipment, devices, material and replacement parts for nuclear power plants is being developed on the basis of cooperative agreements. Thus, in the CSSR the Skoda machine building association in Plzen is becoming the basis of nuclear energy plant construction in the CSSR. In the future Skoda will be the leading enterprise for the delivery of nuclear reactors, steam turbines, generators and other technological equipment to the CEMA countries. In Hungary the Ganz electrotechnical works and the Budapest works for electrical equipment are starting to produce special high voltage equipment for nuclear power plants and the Ganz Mavag enterprise is commencing production of pipe fittings.

Great Use of Hydraulic Power

In the accelerated development of the energy industry better utilization of water resources is likewise very important. In this connection the use of the Danube River to produce hydroenergy plays a special role for Hungary, the CSSR, Romania and Bulgaria. Joint efforts are bringing about the development of the hydraulic power plants Gabcikovo-Nagymaros (CSSR/Hungary), "Iron Gate II--Jerdap II" (Romania/SFRJ [Socialist Federative Republic of Yugoslavia]) and Nikopol-Turnu-Margurele (Bulgaria/Romania):

The construction of pumped storage plants represents a new dimension in cooperation among CEMA countries in the energy industry. The need for them stems from the development of a network of nuclear and thermal power plants with efficient energy blocks, from the point of view that such highly maneuverable power plants can be used efficiently in instances of average and overloading. In the development of the general plan for the future development of the United Electrical Energy Systems of the CEMA countries, it was suggested that the following pumped storage plants be built jointly: Lakatnik (Bulgaria), Predikalosek (Hungary), Newiskta (Poland), and Jerdap III (Yugoslavia).

Expansion of the National Energy Systems Network

An important component of the general plan is the building of high voltage lines. In the present five-year plan 400-kV lines will be built in the national energy systems of the European CEMA countries, and in the western regions of the USSR 330-kV and 750-kV lines will be built. Calculations showed 750-kV lines to be the optimal solution. The first 750-kV line Winniza-Albertirsa was built in accordance with the Coordinated Plan for multilateral integration measures. For the future expansion of intersystem electrical energy transmission the general plan calls for the construction of additional 750-kV lines, such as the two lines USSR-Romania-Bulgaria and USSR-Poland-CSSR. Building 750-kV lines makes it possible not only to transmit large outputs (up to 2,000 MW in series) and to concentrate energy production by means of efficient energy blocks and reactors of 1,000 and more MW, but also to save significant energy-producing capacities. Thus, after realisation of the general plan, the intersystem effect will be equal to a saving of capacities on the order of 4,500 MW.

12124
CSO: 2300

EXPECTATIONS FOR NEW BULGARIAN JOINT VENTURE LAW ANALYZED

Skopje NOVA MAKEDONIJA in Macedonian 30 Apr-1, 2 May 80, p 9

[Article by Boshko Natsevski, permanent correspondent: "Half-Open Door to Western Capital"]

[Text] Sofia, April

Most frequently the roads of Bulgarian foreign trade lead to economic integration with the East or, as it is usually described, with the CEMA-member countries. Yet, this country which, in recent years, has reached third place in the list of foreign trade partners of the Soviet Union, which accounts for one-eighth of Bulgaria's overall imports, has recently turned an entirely new page in its economic orientation. By decision of the highest state organ, Sofia has cracked open the door to foreign investments. Even though in its initial stage, this is a clear indication that Bulgaria is displaying unconcealed interest in the capital and technological possibilities of countries in the Western market. The purpose of the recent decision passed by the State Council on economic cooperation between Bulgarian organizations and foreign firms, and the fact that this economic orientation was not carried out by the daily press nor were its stipulations published, is a testing balloon for the interested countries. This would also be the reason for the very favorable legal, financial, credit, and customs stipulations adopted by Bulgaria with a view to intensifying the joint investments process.

Interesting Western Technology

Equally significant is the fact that Bulgaria is insistently promoting all its attractions for the sake of encouraging economic cooperation with foreign partners, thus hoping for a new infusion in its not exactly healthy economic body. The latest upheavals triggered on the international economic scene triggered by the outbreak of the energy crisis, the hopes of the Bulgarian economic experts notwithstanding, considerably affected the structure of Eastern economic integration as well. The claim that economic laws accept no restrictions was supported yet once again. The fact that no single market could be insulated from the consequences of the diseases afflicting the global economy became more than obvious.

Now, when the Bulgarian working people are in the last year of the Seventh Five-Year Plan, under the conditions of greater raw-material crises, the string of weaknesses in economic development are becoming ever more real. The system of separate planning, a substantial percentage of which is based on administrative prerequisites not governed by objective world market conditions and economic laws, revealed the weak points of the "closed circle" of trade and economic management in general. This may precisely be the direction to be followed in determining the reasons for the conversion of the interest of this country, of late, in the technology of highly developed countries within the West's economic integration.

What Is Expected and What Is Needed

The decision passed by the Council of Ministers for economic cooperation between Bulgarian legal persons and foreign legal and physical persons proposes, above all, a broad possibility for joint investments in industry, scientific and technical cooperation, and technology. In other words, Bulgaria has openly announced its need for additional investment funds for the development of new technologies aimed at increasing its economic effectiveness and productivity.

In order to eliminate eventual fears on the part of the economic partner, this time the Council of Ministers has issued far more specific stipulations and guarantees. To begin with, the capital invested by the foreign partner in Bulgarian territory will be assessed according to the yardstick of the global, rather than the domestic market. The legislature has seen to it that the Bulgarian Foreign Trade Bank will guarantee compensations to foreign companies in the case of damages resulting from eventual new laws passed by the authorities.

The decision of the Council of Ministers makes possible the founding of mixed companies for long-term industrial cooperation and the establishment of shareholding companies based on contracts stipulating the basic capital, the contribution of the separate partners, and the method for drafting a balance sheet and sharing profits or losses. A significant aspect of all this is the flexibility of the legislature who, for the sake of insuring the safety of foreign companies, has issued more specific regulations regarding the management of mixed-ownership organizations.

The Outcome

It would be erroneous to believe that farm output is the basis of Bulgarian exports. Actually, according to some of the latest indicators, nearly 60 percent of Bulgaria's overall exports to the Soviet Union consist of machinery. Trade between these two countries will reach, this year, exports worth 6.6 billion rubles. Bulgarian machines and goods are exported to 62 countries. Slightly over six months ago Moscow and Sofia signed a treaty on a general plan for specialization and cooperation in material production through 1990. Meanwhile, exchange of experts and manpower is substantial.

Bulgaria is substantially contributing to trade with other CEMA-member countries. Nevertheless, in recent years, it has become ever more interested in other markets as well, with a view to broadening the range of its technology and to update it, based on the achievements of highly industrialized countries. The consequences of an obsolete technology, with repercussions on the end results of the national economy, are not concealed. Here again the results of the opening of Bulgarian economic gates for attracting foreign companies and foreign capital are not concealed. The need for new technology is becoming ever more urgent.

5003
CSO: 2800

MINISTRY OFFICIAL OUTLINES MANPOWER, PRODUCTIVITY PROBLEMS

Prague HOSPODARSKE NOVINY in Czech 18 Apr 80 p 3

[Article by Karel Vyhnalik, official of the Federal Ministry of Labor and Social Affairs: "Economic Activity of the Population Nearing Its Maximum"]

> [Text] In consonance with the socialist character of our post-war development, the following represents the basic principles of resolving employment problems: the right to work and full-employment of able-bodied citizens; the gradual balancing of economic development between the CSR (Czech Socialist Republic) and the SSR (Slovak Socialist Republic); lasting improvement in the educational and qualification level of the working people; sustained growth in labor productivity and rise in the material and cultural level of all workers. These principles are not only enshrined in the Constitution and elaborated in detail in our labor laws, but they are also protected in development plans of our national economy, and in the implementation of the economic and social policies of the Communist Party of Czechoslovakia.

Since 1950, the overall number of working people increased by more than 30 percent, whereas productive-age population increased by only 16.5 percent. In the overall growth, employment of women had a share of almost 70 percent, as a result of which their economic equality has become fact.

The fastest growth in employment occurred in the SSR. During the 1970's, employment there reached about 70 percent of the overall growth.

Enormous progress has been achieved in the growth of education levels. In 1950, university-level students comprised only 0.6 percent and graduates of secondary schools with the matriculation certificate only 3.3 of all citizens over 15 years of age. Presently, there are more than 4 percent of university-level students, and as many as 12.5 percent of matriculants. A large segment of the young generation undergoes a long-term training cycle to prepare them for professions and trades.

In less than three decades (as compared with 1950), socialist labor productivity has grown by 225 percent and has become the decisive source of our national economy's growth. Wages have been rising in proportion with this increased productivity. In 1978, the average monthly pay of workers in the socialist sector of the national economy was 2,517 korunas, which is 165 percent more than in 1950.

As a result of the rise in nominal wages, there occurred great changes in the stratification of workers according to the amount of money they were earning. The segment earning up to 1,000 korunas, which in the late 1950's comprised 20 percent of those employed, virtually disappeared. On the other hand, those earning over 3,000 korunas, who in 1959 included less than 1 percent of all workers, have grown to about 34 percent by 1979.

These figures clearly demonstrate that we have achieved good results in the practical application of the basic principles of employment.

Sources of Labor Are Exhausted

The measure of our people's economic activity is nearing its maximum, no appreciable increase is possible any longer. At the present time, of the 8.7 million citizens of productive age, after deducting young people in career training, women on maternity leave, and certain other segments of the population, only about 260,000 people are not working. On the other hand, more than 180,000 people hold two jobs or have a long-term labor contract.

Under conditions of full male employment, the bulk of non-working people are women with small children and older women who had not been previously employed, or women living too far away from employment opportunities. Therefore, it is important that we create and improve conditions for the employment of women, especially by raising the quality of services.

In the 1970's, there was considerable progress in expanding facilities for the care of preschool children. The number of children in kindergarten grew by two-thirds over 1970, and kindergarten facilities are now able to service 75 percent of children of that age. While nursery facilities have increased by about 46 percent, they can still accommodate only about 40 percent of one population year. The number of unprocessed applications for kindergarten and nursery admission still hovers around 160,000. Consequently, despite a modest drop in birthrate, the number of women on maternity leave is constantly growing and their return into the labor force is being delayed.

Working mothers increasingly make use of the opportunity provided by our laws to work short hours. In May 1979, 8.8 percent of them were working under this provision. The short workday is more widely utilized in the CSR where 10.7 percent of working women are in that status, while in the SSR their share is only 4 percent.

The working women's situation is aggravated by a lack of quality services and the fact that working hours are not sufficiently adapted to the needs of most of them.

In line with longer life expectancy and changing attitudes toward labor, our economy also utilizes to a considerable extent the work of people of post-productive age. By stimulating an economically-justified and voluntary extension of employment status for older people, it was possible to maintain the level of such labor, even though there was a relative drop in the number of people in this category. The considerable increase in the number of workers of retirement age which we are presently experiencing (as a result of the population trends following the First World War), provides hope that this number can grow, provided the need for their labor conforms to the personal interests of the retirees.

Under the conditions of the high level of economic activity we have reached, the decisive source of employment growth in the increment in productive-age population which has, unlike in the past, been dropping considerably (the large age groups of those born after the First World War are leaving the productive scene, while that arena is being entered by the small age groups of those born during the population slowdown of the 1960's). The entry of the young into the production process is also being delayed by the lengthening vocational training cycle (during the Sixth Five-Year Plan, there will be an increase of 60,000 in the number of people of productive age undergoing vocational preparation, which will tie up [the equivalent of] approximately a year-and-a-half of the increment of this age-group.)

The fact that the productive-age population increment is becoming the decisive source of employment growth, however, has another important effect, namely, it makes it mandatory that the qualification structure of the young entering the labor market reflect to the maximum our labor needs in the branch, professional, and qualification structure.

A global comparison of changes in the qualification level which is occurring in the natural generational development of the 1970's shows that the problem of finding sufficient unskilled and semi-skilled labor is ever more serious. The generation which is currently reaching retirement age consists of 53 percent of workers with only elementary education, 22 percent with trade training, and 25 percent with secondary schooling, mostly uncompleted, and only 4 percent with university-level education. In contrast, the young just entering the labor market consist of 4 percent with only elementary education, 11 percent with unfinished secondary or apprenticeship schooling, 50 percent with completed apprentice training, and 35 percent are secondary school graduates, most of whom have their matriculation certificate (11 percent are university-level students).

Previous examinations of this situation have shown that, in industry alone, jobs which do not require completed trade training reach about 18 percent, a figure which changes only slightly in the long term. By the same token, certain services have a great need for unskilled labor. This need must be filled by skilled workers, at the cost of overly-high remuneration and the creation of disproportions in wages. From what has been said, it is evident that even as desirable a phenomenon as the growth of education can create problems and lead to low effectiveness. The remedy for this must be sought in the mechanization of unskilled labor tasks and in reducing their number.

An even more difficult situation arises in cases where the utilization of high qualification is linked with specific work in only certain branches. At present, even such problems exist. As an example, we can mention that, with respect to certain specialized university graduates in services (medical, pedagogical, etc., faculties), it has become necessary in the current five-year plan to revise original intentions in these branches.

Together, these problems of labor sources result in a consistent drop in potential employment growth. The average annual employment growth in the national economy reached roughly 82,000 people in the 1960's, while in the 1970's it drops to about 45,000, and in the next five-year plan will drop further to only 25-30,000.

Lower employment growth certainly greatly affects its own policy sphere, and must be reflected in all of our national economic policies. There is latent danger that low utilization of available resources will drop further because, due to natural population shifts, there will be stagnation in a growing number of sectors and agglomerates, thus reducing the overall labor potential. We can therefore expect that the difficulties, already evident today, in ensuring adequate labor for development operations requiring a higher concentration of the labor force will be further aggravated. We must counter these tendencies primarily by directing capital investment construction toward economy in the labor force, by more consistent liquidation of obsolete production and operations, which would free labor for those sites where it is most needed, by consistent attuning of the sector needs in labor force reproduction, and by creating conditions for its necessary inter-sector shifts.

Urgent Need for Efficiency

Given the minimal sources of new labor, effective utilization of available labor must become the basic feature of employment policy. This means not only effective utilization of employment increments, i.e. the 45,000 in the current five-year plan and the 25-30,000 in the next, but effective utilization of the entire labor potential of over 7.2 million working people. It is paradoxical that, while we have achieved maximum labor activity, we often speak of labor shortages. In our system there cannot be a labor shortage, only lack of efficiency in utilization of the existing labor potential, its incorrect deployment, or the unrealistic nature of goals we would wish to achieve.

From an analysis of labor productivity development in our national economy in the 1970's, it is evident that there has lately been a slowdown in its dynamics. Whereas social labor productivity increased during the Fifth Five-Year Plan by an annual average of 5.4 percent, in 1976 it dropped to 4.2 percent, in 1977 to 3.9 percent, and in 1978 to 3.5 percent. For last year, we can expect a growth of social labor productivity of no more than 2 percent. This development is thus considerably lower--by about one-quarter, than envisaged by the Sixth Five-Year Plan. The non-fulfillment of original plans for social labor productivity growth represents losses to our national income of over 20 billion korunas in the final year of the Sixth Five-Year Plan.

The main reasons for this situation can tentatively be divided into three basic groups, namely, shortcomings and problems in the long-range macroeconomic sphere, temporary difficulties and stoppages in the reproduction process, and internal problems in the labor area.

There Are Reserves in Labor Productivity Growth

The dynamics of social labor productivity growth can be best affected by structural improvements. In cases where these are accompanied by modern production methods replacing the obsolete, their effectiveness multiplies and they are implemented very rapidly.

Of great importance for social labor productivity growth is its technological outfitting. In our circumstances, however, growth in basic engineering is, to a great extent, accompanied by an increase in the number of workers. The process of basic means reproduction is too long, the time of their turnover is extending, and the sidelining of physically and technologically obsolete engineering and equipment is falling behind. The extent to which technology is being substituted for live labor does not correspond to our needs.

Negative effects on the level and pace of labor productivity growth have recently occurred because of breakdowns in the reproduction process due to problems with energy and raw materials, deteriorating conditions in placing goods on the world markets but, above all, due to internal disproportions and lack of discipline in supplier-consumer relations.

In the opinion of managers of 73 industrial VHJ's (economic production units) who were asked to comment, the main influence on the slow pace of labor productivity growth lies in shortages of material and technological supplies, in the technological level of basic engineering means, and in problems with respect to productive structures.

Time losses in intra-shift utilization of working hours due to the above phenomena were estimated by the managers at 3.5 percent of working hours during the Fifth Five-Year Plan, at 5.1 percent during 1976-78, and as much as 6.7 percent of the overall working time in 1979-80. These shortcomings represent a barrier to labor productivity growth, and the way they are tending is alarming.

Considerable reserves in the level and pace of labor productivity growth can be found in the development of the internal employment structure in individual branches, enterprises and organizations, in the focusing and efficiency of personal incentives, and in full utilization of working hours. Even though the effect of these labor productivity factors is complicated and its computation difficult, we can generally assume that the measure of these reserves is considerable and tends to indicate potential growth.

Within the employment structure of production organizations there was, as compared with the Fifth Five-Year Plan, an accelerated drop in the share of overall employment of the number of workers in principal operations. The bulk of the employment increment obviously not only due to objective need but also to the labor force source structure, is going into non-worker categories and into the so-called other economy.

As a result of shortcomings in the organization of production and labor, and especially due to breakdowns in the material and technological process of energy supply, we maintain, on the one hand, a high share of overtime labor which has even been rising in certain branches (e.g., in industry from 5.4 percent in 1975 to 5.7 percent in 1978), while on the other hand there is insufficient utilization of regular working hours. The latter is true especially in piecemeal production and in various ancillary and service operations. In the efforts to improve this situation there is insufficient contribution of the norm system in which bureaucratic approaches persist, and not enough energetic enforcement of correct principles in wage policy. Wage leveling and low differentiation in rewards persist. Particularly unsuccessful were efforts to introduce in adequate measure a desirable wage differentiation between individuals and work collectives, according to real achievement and merit.

9486
CSO: 2400

FUELS AND ENERGY IN 1980 VIEWED BY MINISTER

Prague PLANOVANE HOSPODARSTVI in Czech No 3, 1980, p 1-7

[Article by Eng Vlastimil Ehrenberger, CSc, CSSR Minister of Fuels and Energy: "The Ministry of Fuels and Energy in the Last Year of the Sixth Five-Year Plan"]

[Text] The widespread and extensive development of science and technology in the last two decades places steadily increasing demands on the mining of solid fuels, power production and the expansion of gas production as important prerequisites for making progress in the entire complex of our national economy. In its resolutions the 15th CPCZ Congress has identified the development of the CSSR fuel and energy base as an indispensable condition of the continued rise of the standard of living in our advanced socialist society.

As a result of the constantly rising consumption of fuels and energy the scientific and technical revolution and the simultaneous steadily increasing standard of living of the working population have elevated the fuel and energy sector to a key position in the Czechoslovak economy. The constant attention which the highest party and government organs pay to the development of the Czechoslovak energy base is proof of its vital importance for the economy not only for the present but also for the long-term development of the Czechoslovak national economy.

We are now at the threshold of the last year of the Sixth Five-Year Plan and able to assess the results achieved in the preceding year and to characterize the tasks facing us this year. The main problems encountered in 1979 were the mining of coal in the North Bohemia Brown Coal Basin due to lack of preparedness and a change in the quality of coal and in the concern Slovak Coal and Lignite Mines at Prievidza due to poor preparation of the coal faces. Lack of the required number and type of coal freight cars created also great problems especially in September and November as did the decrease in power consumption, even though this phenomenon must be viewed as an asset from the national viewpoint. Delays in capital construction in the power and consumer gas industries whose repercussions are felt this year, for example in the form of delayed starts of new production capacities, failure to observe project indicators and increased risk in the power transmission grid of the electrification system and power and gas distribution systems were the cause of additional problems.

The Last Year of the Sixth Five-Year Plan

The year 1980 is the last year of the Sixth Five-Year Plan. This very fact underlines its importance not only because the results will be reflected in the resolutions of the 15th CPCZ Congress, but also because it is the starting year of the Seventh Five-Year Plan.

The difficulties which clouded the prospect of meeting the fuel and power needs of the national economy this year were overcome only in the second half of 1979 but essentially on the side of consumption. Power and coal consumption dropped below the 1978 level which increased household supplies of solid fuels and especially power plant reserves, both of which contributed to a good start in 1980.

In view of the changed fuel consumption situation the original demands placed on brown coal mining for the year 1980 turned out to be excessive. Therefore, the coal and lignite mining quota for 1980 was set at 124.4 million tons, which roughly represents last year's production.

--Black coal production amounts to 28.1 million tons; year-to-year increases are leveling off, but still, maintaining production will be difficult because of delays in opening up new deposit strata. Since the planned black coal production goal will again be difficult to meet during regular working hours, mining will also have to go on non-working days as in past years to the extent of 1.5 million tons. An additional problem is the quality of coal suitable for coking with the proportion of high quality coal rapidly decreasing, which has deleterious effects on the production of our cokeries and on exports.

--This year's plan calls for the production of 96.3 million tons of brown coal and lignite of which the lion's share--68.2 million tons--falls to the concern SHD [North Bohemian Lignite Mines] in Most. In developing the North Bohemian Brown Coal Basin efforts are being concentrated on overburdened removal which, compared to the volume of coal mined, has been lagging for years. In recent years mining preparedness in the coal basin has been at its lower limit and each delay in the removal of overburden (breakdowns of new types of giant diggers, overburden transporters and adverse weather conditions) is immediately reflected in the volume of coal mined. By agreement with the FMHTS (Federal Ministry of Metallurgy and Heavy Engineering) the necessary repairs of KU 800 and KU 300 diggers and belt transporters were last year included in the Sixth Five-Year Plan as state plan tasks, creating the prerequisites for a gradual marked improvement of the situation in the removal of overburden.

In recent years mining preparedness has deteriorated also in Slovak mines as a result of delays in capital construction, geological exploration, drainage work and failure of mining equipment under unfavorable geological conditions. In spite of these difficulties we must exhaust all means to meet the planned production quotas in these localities because the alternative of supplying Slovak consumers with coal from the North Bohemian Coal Basin would further aggravate the situation in rail transportation and would also be very expensive.

In recent years the planned production of sorted types of coal has become a serious problem. While the resources of screened coal are steadily being depleted their consumption rises steadily in the housing sector but does not decrease proportionately in the industrial sector. In this situation the only possible remedy is the conversion of industrial coal-burning facilities to other types of fuel, primarily to burning inferior powdered coal. Without the systematic implementation of such conversions it will be impossible to maintain a regular supply and meet the needs for screened coal, because the transition to mining coal at greater depths and in new localities will further reduce the proportion of coal suitable for screening.

--Power production by public utilities will increase by about 6.3 percent over last year and reach 61.150 GWh. This volume of production represents the minimum for meeting this year's needs and the power industry is ready to meet even higher requirements of the national economy both in output and fuel. Still, supplying the national economy and the population with fuel and power without interruption will require the more consistent implementation of conservation measures. A qualitatively new aspect of our growing production is that more than a third of the increase will come from our first nuclear power plant at Jaslovske Bohunice. This is also due to the consistent implementation of the general overhaul and reconstruction plan for 100 MW power units. As a result of the fact that these overhauls were included in the state plan as mandatory tasks beginning with 1978 their extent for the entire Sixth Five-Year Plan will be exceeded. But the difficulties we have with the output of transformers persist. The frequent breakdowns and the great number of accidents, primarily of the 400/110 kV 250 A transformers necessitate repairs which take a long time. At the same time deliveries of new transformers, both from domestic production and from imports, are not arriving within requested deadlines.

--Heating gas supply in 1980 is expected to develop favorably. Natural gas supplies from the USSR will increase by more than a fifth over last year which augurs well for our ability to meet the customers' needs. Consumer gas resources will increase further by about 6.5 percent to an overall level of 3.8 billion cubic meters. In spite of the above increase of heating gas resources, consumption must be strictly and consistently rationalized because the annual increase in natural gas supply will end in 1980 and will be substantially lower in future years.

--Capital construction is one area of our ministry's work which has our constant attention. Experience gained so far demonstrates that actual construction achievements deserve priority over the monetary investment volume. The prerequisites for fulfilling the capacities foreseen in the plan are given by the fact that the major part of the ministry's construction projects are entered in the state plan as mandatory tasks or tasks mandated by central authorities which qualify for preferential wages and premiums. This year attention will focus primarily on projects under construction and those nearing completion. Production will start in:

--capacities for a mining output of 7.7 million tons a year;
--capacities with a power output of 1272 MW;
--capacities with a 1208 MVA transformer output and
--423 kilometers of gas pipelines.

Since a number of installations and machines are imported, measures were introduced for stricter selection criteria of these imports and for coordinating their import deadlines with the progress of capital construction to enable their immediate installation and production start.

In fulfilling our tasks in the past, especially in years of tight supply, the consistent and strict adherence to quality indicators was frequently neglected. Beginning this year, pressure is being exerted in all branches of our ministry to improve economic indicators in order to fulfill as nearly as possible the tasks originally stipulated for the year 1980. Quality of deliveries, rise in labor productivity, reduction of expenditures and material supplies, increased profit and thereby a more favorable relationship to the state budget are of prime importance in our sector. Even though the qualitative tasks assigned to our branch industries for 1980 are exacting, they are realistic. This year, to mark the 35th anniversary of the liberation of our country by the Soviet Army and the 32nd anniversary of the February events, we and UVOS have adopted measures orienting socialist pledging primarily to raising the economy and quality of all work.

The Ministry's Prospect of Fulfilling the Sixth Five-Year Plan

The year 180 is also the year when a balance is drawn for the Sixth Five-Year Plan period. On the basis of the results achieved in the past 4 years and the tasks set for this year we can already render a preliminary assessment of the share which the Ministry of Fuels and Energy will contribute to the fulfillment of tasks assigned by the 15th CPCZ Congress for the economic and social development of the CSSR for the 1976-1980 period.

In the sector of primary energy resources the overall volume for the Sixth Five-Year Plan will exceed the planned resources by about a million tons of specific fuel (tsf) and will reach approximately 113.7 tsf this year. In the first 3 years of the five-year plan the increase in primary energy resources exceeded the planned figure. In contrast, this year we expect consumption to be lower than the plan calls for as a result of the consistent implementation of rationalization measures in consumption and power demand.

The tasks connected with rationalizing fuel and energy consumption in our ministry were consistently exceeded throughout the five-year plan except in 1976. Great savings were achieved primarily in the last 2 years of the five-year plan when the nuclear program began to be implemented, which reduced markedly the consumption of the scarce fossil fuels. But the reliable operation of the first and the timely start of the second unit of the nuclear power plant at Jaslovske Bohunice are a prerequisite for the successful fulfillment of the rati-nalization program in the consumption of fuels and energy in 1980.

We expect more coal and lignite to be mined in the entire Sixth Five-Year Plan than the guidelines and supplemental tasks call for. Nevertheless, the coal supply situation must be considered strained because our overall resources still do not cover the rising consumption. The steady increase in coal mining was sustained only by the most strenuous efforts by increasing the proportion of work on non-working days, which in the past 4-5 years has doubled and now amounts to an average of about 6 percent of the coal volume mined in deep mines. Also, capital expenditures needed to develop underground and open-pit mines are rising due to the worsening geological mining conditions encountered at greater depths, the more difficult heat and pressure conditions in deep mines and the rapid depletion of deposits.

In the coal industry in the Sixth Five-Year Plan capital investments have secured 14.62 million tons of new annual mining capacity. Even with the start up of these capacities their full exploitation, especially that of the M. Gorkij Giant Quarry at SHD [North Bohemian Lignite Mines] is contingent on the faster removal of overburden by KU 800 and K 10,000 diggers.

An important requirement for improving the prospects of our coal mining industry is the acceleration of geological exploration of new coal regions. Intensive exploration focuses on the localities Frenstat, Slany, Hodonin, Novaky, Cigel, Gbely and the peripheral areas of the North Bohemian and the Sokolov basins. To shorten the time between exploration and exploitation detailed exploration of suitable profiles in parts designated for capital construction as future mines is already being carried out today. In this way the entire cycle is shortneed by 3-5 years.

The goal of producing 11 million tons of coke set as a guideline by the 15th Congress will not be fulfilled this year due to a shortfall of 420,000-600,000 tons of coke by metallurgical coking plants.

In answer to the developmental needs of the coal industry the scientific research base of the ministry is tackling the problem of mining coal under difficult geological conditions and at great depths. And even though most of the tasks were mastered, their implementation is lagging because of the lack of new advanced tunneling and mining equipment of domestic construction and of equipment manufactured under licence. This primarily impedes the comprehensive mechanization of tunneling, bracing of long mine shafts and mining in saddle and deep seams.

The 15th Party Congress guideline concerning the gas industry stipulates increasing the transport capacity of the transit gas pipeline and the Brotherhood pipeline, the construction of peak consumer gas generating resources and of subterranean gas reservoirs as priority tasks. The strengthening of the maintenance base and the construction of distribution networks are also stressed. Thanks to sizeable deliveries of natural gas from the USSR and the construction of seasonal consumer gas generators the gas industry has become the stabilizing branch of the CSSR fuel and energy complex.

With the completion of compressor stations this year the transit pipeline will reach its full carrying capacity. Work continues on the construction of the Konsorcium gas pipeline which will be completed in 1984.

To raise the generating capacity of consumer gas the seasonal gas generator Cechy II started production, and the introduction of the nitrogen system has considerably increased the available generating capacity of the Vresova gas works. The new natural gas deposits at Dolni Dunajovice and Ptrukes were added to the natural gas generating system. In 1980 the completion of the underground reservoir Lab will raise its capacity to 1,130 million cubic meters.

But the gas industry also has its difficulties. The construction and renovation of local gas networks in the capital city of Prague, at Brno and Ostrava are tasks yet to be fulfilled due to a lack of resources for these projects, chronic shortages of labor, worker accomodations, mechanized equipment and means of transportation.

In the course of the Sixth Five-Year Plan deliveries of power by the energy sector essentially met the demand, shortages developed only at the beginning of 1979 when as a result of extreme weather conditions the power supply was severely curtailed.

But since March of last year all power supply limitations have been lifted, and still power consumption has not reached the planned level which changed the starting base for 1980. This year power production will be 5-6 billion kWh below the lower limit set by the guideline of the 15th Congress.

A vast overhaul and reconstruction program of large power units was carried out to improve the operating reliability of the electrification system. Construction and overhaul of transmission and distribution networks is under way to improve the quality of power supply. But we are constantly encountering problems in securing high quality equipment for distribution networks, primarily the 400/110 kV transformers and distribution transformers and insulators.

Fulfilling the task of reducing specific consumption will fall short of the set target of 385 gmp per kWh by about 2 gmp. The cause is the steadily deteriorating quality of coal, the necessity of operating the uneconomical power plant Komorany and the failure to comply with planned specific consumption parameters in 110 and 200 MW power generating units.

The Sixth Five-Year Plan calls for developing the sector by the start of 4,465 MW of new generating capacity, primarily in the form of 200 MW and larger generating units. The second unit of the nuclear power plant V-1 at Kaslovske Bohunice will go on line this year in addition to the 500 MW unit at the Melnik III power plant, the 210 MW unit No 1 of the Prunerov II power plant and the turbogenerator No 6 with an output of 110 MW at the pumped storage power plant Cierny Vah. Even though difficulties and delays are being encountered in the construction of these capacities it is reasonable to assume that production start up deadlines will be met. The completion of additional nuclear power plants is also in preparation. Besides the V-2 power plant at Jaslovske Bohunice under construction there is the nuclear power plant at Dukovany. This year preparatory work will begin also on the construction of the nuclear power plant Mochovce.

Over the entire five-year plan serious shortcomings were encountered in the thermal power plant system with not a single thermal plant going into production on time or being in compliance with stipulated construction standards. The cause lies primarily in inadequate production capacities of supplier organizations and in delays of construction preparedness deadlines. The equipment suppliers' capacities are unable to meet the requirements and delivery deadlines set for the construction of thermal power plants. The designated design capacities are inadequate and are frustrating the successful implementation of the thermal power plant program.

To sum up, it can be said that the Ministry of Fuels and Energy will meet the key tasks set by the 15th CPCZ Congress for the 1976-1980 period.

The Prospects of the CSSR Fuel and Energy Complex

The year 1980 is also the time to prepare for the Seventh Five-Year Plan. If we are to be good managers in the fuel and power sector we cannot concern ourselves only with our current and short-term tasks but also with long-term prospects.

The analyses made reveal that the volume of mined coal could increase to 132 million tons by 1985 and to 138 million tons by 1990. The increase would come primarily from brown coal basins.

Undergoing mining of coal deposits will become progressively more difficult because of the necessity of mining at increasing depths which will pose problems with air conditioning and ventilation, the prevention of seismic shocks, gas effusions, slides of coal and the surrounding rock and other problems of a technical and mining safety nature. Coping with the unfavourable conditions will require the consistent introduction of fully mechanized mining methods by means of modern mining, tunneling and conveyor technology.

Black coal in the CSSR will continue to be mined in the Ostrava/Karvina and Kladno basins. Geological exploration in the Ostrava region uncovered new deposits at Pribor-East and Frenstat-Trojanovice which are expected to yield up to 4 million tons of coal a year.

Coal deposits for power production in the Kladno basin have mostly been depleted. Mining will be gradually transferred to the neighboring Slany basin whose estimated 170 million tons of black coal are deposited at a depth of from 1000 to 1200 meters. Mining at the Slany site is expected to start around 1995.

The greatest future expansion is being planned for the concern North Bohemia Brown Coal Mines in Most, with 82 million tons expected to be mined in 1990.

It is estimated that the deep mines of the Coal and Lignite Mines in Prievidza will increase the amount of coal and lignite mined from the current 8 million tons up to 9.150 million tons by 1990.

In meeting our energy requirements solid fuels will still constitute almost 50 percent of all resources in 1990 in spite of the increase of the proportion of oil and natural gas.

Further expansion of power production will basically come from nuclear power plants. In 1985 this source is expected to yield about 16 to 17 billion kWh. The nuclear power plant construction program is expected to result in the generation of approximately 10,280 MW by 1990. But further development of the Czechoslovak national economy will have to be accomplished with strict energy conservation in spite of increased supplies of fuels and energy.

No substantial future increase in the import of natural gas and crude oil nor in increased domestic mining of both raw materials can be expected in the gas industry. These facts only serve to emphasize the necessity of consistent conservation of fuels and energy which not only calls for the utilization of all existing hidden reserves but also for using non-traditional energy resources, primarily waste heat. By using secondary energy resources in the CSSR we must achieve by 1990 an energy saving amounting to about 7 million stf of which almost 16 million Gcal in waste heat.

We look primarily to existing power plants and plants under construction to deliver heat for the prospective development of the thermal energy industry. The power plants Tisova, Prunerov, Pocerady, Melnik, Opatovice, Chvaletice, Novaky and the nuclear power plants Jaslovske Bohunice, Mochovce and Malovice will serve as sources of heat deliveries in the Seventh Five-Year Plan and until 1990.

The current and prospective development of the state's fuel and energy base, its quality and standards constitute the basic prerequisites for CSSR development. Therefore, it must be a concern not only of the highest party and government organs and of the employees of the ministry but of all sectors of the national economy, every collective, individual and our entire socialist society.

8664
CSO: 2400

GERMAN DEMOCRATIC REPUBLIC

INNER GERMAN TRADE EXAMINED IN WAKE OF 1980 LEIPZIG SPRING FAIR

Bonn INFORMATIONEN in German No 6, Mar 80 pp 9-11

['Background' report by FRG Ministry for Inner-German Relations: "Inner-German Trade and the 1980 Leipzig Spring Fair"]

> [Text] The 1980 Leipzig Spring Fair, which took place between 9 and 15 March, took the same normal course as last year. It resulted in the usual business agreements between the GDR and the other CEMA countries, but in only a few major agreements between GDR foreign trade enterprises and firms from the FRG or other Western countries. Politicians from the two German states between the FRG and the GDR in spite of the international crisis situation. Josef Ertl, federal minister for nutrition, agriculture and forestry, who attended the fair jointly with State Secretaries Dieter von Wuerzen of the FRG Ministry of Commerce and Guenter Gaus, chief of the Permanent FRG Representation in the GDR, met in Leipzig with GDR Foreign Trade Minister Horst Soelle. On the same day, Ertl also had a discussion in East Berlin with SED Central Committee Secretary for Agriculture and Politburo Member Gerhard Grueneberg.

After his discussion with Minister Soelle, Ertl told reporters in Leipzig that the FRG intended "to do everything to avoid aggravations and tensions" in the relations between the two German states. He had been authorized by FRG Chancellor Helmut Schmidt to point out this desire of the FRG during his discussions with the GDR leadership.

In regard to his visit with Grueneberg, Ertl made the comment that he had felt the interest of the GDR to continue business relations between the two states. He also informed the press that he had invited Grueneberg and GDR Minister of Agriculture Heinz Kuhrig to a visit in the FRG. The GDR press agecny ADN published the following statement after the discussions:

"In accordance with the statement (by Honecker) at the Leipzig Spring Fair that 1980 gave rise to hopes for a good balance in the economic

> relations between the GDR and the FRG, the business partners spoke in favor of a full utilization of the objective possibilities, as well as of a constructive approach to the further development of business relations between the two states. This applies also, but by no means lastly, to trade in agricultural products. It was emphasized that it is necessary to develop trade relations without interference, on the basis of equal rights and mutual advantage, and thereby to guarantee continuous growth. Proceeding from the basic agreement, Gerhard Grueneberg pointed out that stable and guaranteed laong-range trade relations between the GDR and the FRG are at the same time of essential importance for the total development of relations between the two countries. This also serves the interests of peace and detente."

During his traditional tour of the fair at the head of prominent members of party and government, GDR State Council Chairman Erich Honecker stopped on the first fair day--as he had done the previous year--at the exhibit of the FRG firm Fried. Krupp GmbH, where he was welcomed by board chairman Heinz Petry and permanent representation chief, State Secretary Guenter Gaus. During the ensuing discussion, in which Lower Saxony State Ministers Birgit Breuel (Economics) and Walter Leisler Kiep (Finance) participated, Honecker stated that 1980 raises hopes for an "especially good balance in economic relations" between the two German states. Honecker: "We are going to break through the sound barrier and surpass the volume of 10 billion marks."

During the discussion, Honecker emphasized the long-standing business relations with Krupp and noted--according to ADN--"with satisfaction" that Krupp "played a constructive role for some time now especially in investment business deals and thereby in the interests of mutually advantageous business relations between the GDR and the FRG." GDR Council of Ministers Chairman Willi Stoph remarked on this point that "if business deals can be concluded--as before--to mutual advantage, a state of affairs satisfactory for both sides can finally be achieved."

Honecker also mentioned the figures on the development of inner-German trade in 1979, which had been published by the FRG Ministry of Commerce shortly before the Leipzig Spring Fair, and emphasized that trade with the FRG has for the first time resulted in a small surplus for the GDR. It can be concluded that the (nominal) growth rate of the previous year (volume: up 12.1 percent) will be continued in 1980, and in this process exports to the FRG are again to be accelerated in relation to imports from the FRG.

The GDR's intention to further develop trade relations with the FRG in spite of the deterioration of the international climate was made clear even during the preparatory stages of the Leipzig Spring Fair. In November of last year Dr Wolfgang Andrae, section chief in the GDR Foreign Trade Ministry, announded in the West Berlin Information Service "East-West Cooperation Up-to-Date":

> "The tracks have been laid for an extensive and dynamic development of mutual trade relations. The GDR is ready to increase the trade volume with the FRG by more than 10 percent annually...The GDR will not make detours around the FRG."

Andrae also said that greater understanding has meanwhile been reached in the question of compensation agreements--the kind that is preferred by the GDR. On cooperation agreements between the two German states Andrae said: "We have a regular trade agreement that functions well so that there is no need for an updated cooperation agreement--that means it is not of essential necessity for us."

Investment Deals To Be Further Developed

East Berlin Professor Dr Erich Freund, first chairman of the GDR-FRG Trade Association, then wrote in the January edition of the Hamburg periodical EAST-WEST COMMERCE that in the future the GDR would not insist, to the degree it has in the past, on counter business deals. ("In the use of counter business deals there have certainly been exaggerations in the past"). Freund also tried hard to mitigate West German concerns about major business deals between the GDR and other West European countries--which could be interpreted as a deliberate shift in trade policy--and the lack of agreements of this kind within the framework of inner-German trade. He gave the following assurances:

> "In the field of investment deals there has been a whole series of major projects undertaken jointly by the GDR and the FRG, which have meanwhile become reality and resulted in satisfaction for both sides. In rewarding new impending investment deals, FRG firms will in the future be fully included in the exploratory process."

The Permanent GDR Representation in the FRG likewise expressed in an OST-WEST COMMERCE article the GDR's interest in a continued development of inner-German trade and in the continuation of the policy of detente:

> "In regard to our future policy in the eighties, the GDR continues to be interested in increasing and supporting trade relations with the FRG... This attitude in principle toward the future development of economic cooperation with the FRG was repeatedly emphasized by SED General Secretary and GDR State Council Chairman Erich Honecker. Continuation of the policy of detente is an essential condition for this."

Business Agreements at the Leipzig Fair

In spite of this positive prediction for inner-German trade, no major business agreements were made at the Leipzig Fair between West German and West Berlin firms on one side and GDR foreign trade enterprises on the other. This is primarily due to the fact that in the GDR the currently valid five-year plan is ending this year and planning has not yet been completed for the 5-year period 1981-1985.

The most important business deals made at the fair were the DM 30 million order for Salzgitter AG for the construction of a silicate mixing and processing plant which is to be constructed near Leipzig. The West Berlin firm Consult GmbH signed an agreement on shipment of a plant for the manufacture of materials for printed circuit boards amounting to just about mark 34 million. This plant for the production of circuit boards, which are used in the electronics industry for printing switches and for television technology and transistors, is to be constructed in Bernau near Berlin.

Fried Krupp GmbH and Hoesch Konzern also negotiated with their GDR business partners on major projects without reaching a business agreement. Krupp, for instance, is trying to get a contract for the construction of a steel mill with a contract volume of 1.5 billion marks. Here, however, Krupp has competition from firms in other Western industrial countries whose interest payment conditions are in part more favorable than those of West German firms.

Number of Exhibitors

According to GDR statistics, more than 9,000 export firms and foreign trade enterprises from 66 countries took part in this year's Leipzig Spring Fair, among them firms from "13 socialist countries," 28 developing countries and 25 Western industrial countries. As in past years, exhibitors from the FRG sent the largest contingent to the GDR hosttcountry. As in the past years, their number--including exhibitors from West Berlin--showed a slight increase: 1977: 769; 1978: 791; 1979: 795; 1980: 810. Some 1,290 exhibitors came from other Western industrial countries, among them 79 firms from the US.

In comparison with fairs of previous years, the 1980 Leipzig Spring Fair was 1 day shorter, lasting from opening day on Sunday to only the following Saturday. The assistant general director of the fair, Hans Kynast, explained that his shortening of the fair should emphasize even more strongly the business character of the Leipzig event.

8889
CSO: 2300

STATISTICS PUBLISHED ON HARBOR TRANSSHIPMENT VOLUME

East Berlin PRESSE-INFORMATIONEN in German No 50, 29 Apr 80 pp 5-6

['Facts and Figures' report by Press Office, Chairman, GDR Council of Ministers: "Harbors Increase Transshipment Volume"]

[Text] This year the three sea ports of Rostock, Wismar and Stralsund want to exceed a transshipment volume of 18 million tons for the first time. Today they handle as much in two months as the ports of Rostock city, Wismar and Stralsund handled in 1955. Part of the reason for this enormous increase in volume was the construction of the Rostock international port, which will celebrate its twentieth anniversary on 30 April. During this period more than 180 million tons of goods were transshipped and around 45,500 ships from 63 countries were handled. Modern transport technologies enabling the rise in transshipment volume and simultaneously facilitating the work of the dock workers are being used today in all the ports.

In today's international port of Rostock, 1,000 tons of solid goods are unloaded in 11.9 hours and 1,000 tons of mixed cargo can be transshipped in 4.2 hours. It is a universal port with a wide range of services and a depth of up to 13 meters. The main area of concentration is in transacting 18 regular service routes with more than 800 departures a year. The basic principle of the work is a rapid, safe and inexpensive transshipment of all goods while guaranteeing equal services to all domestic and foreign ships and trade partners.

Three docks are available in the oil port. Two of these were equipped with a modern extinguisher system in 1978. The reconstructed oil pier assures maximum safety and meets the demands placed on environmental protection. Now that the port entry and the dock have been deepened, tankers carrying up to 45,000 tons of fuel can dock here. The oil port primarily caters to the import of crude oil. A port storage tank and neighboring large storage tank for industry enable a smooth handling of the ships. The land transport of the fluid goods is done via pipeline to the processing centers or to railroad tank wagons.

In accordance with the Helsinki "Convention on the Protection of the Maritime Environment of the East Sea," a ballast water processing center was established right near the oil pier which cleans all the oil-contaminated water in the port and in the territory around Rostock.

The mixed cargo unloading unit, Pier III, has a technical capacity of 5.5 million tons. Three docks are equipped with six bridge cranes and a ship-unloading mechanism. In 1975/76, GDR and CSSR plants built a transshipment unit for ore, coal and apatite, enabling ships to be unloaded independent of the conveyance of goods. Construction is under way for a fourth dock.

Pier II processes conventional regular route service lines. Annually more than 1.2 million tons of mixed cargo are transshipped in four large wharves with open air storage areas in between them. Rapid heavy-duty cranes and open air bridge cranes serve the ships at 13 docks. Furthermore, there is a special dock for unloading metal goods and a container unloading platform. More than 30 container trains connect the Rostock port with the central container train stations in all areas of the GDR during the course of a week. There is regular container service to the Soviet Union, Finland, Cuba and Great Britain.

On Pier I, large goods such as lumber, raw iron and metals, as well as automobiles, grain and imported fruits are transshipped. Presently Roll on/Roll off regular line ships to the USSR, Finland and Great Britain, as well as vehicle imports from the USSR and exports to other European and foreign countries are handled at the Ro/Ro docks.

In 1976, grain and loose fodder were handled for the first time. Two floating grain cranes with a capacity of 300 tons an hour unload the goods directly into special wagons of the German Reichsbahn.

The Rostock port is outfitted with modern and high-capacity cranes and ground transport facilities. A 100-ton floating crane in the port can also be used for many purposes. The CSSR, Hungary and Romania are the main transit partners of the GDR port economy. But transit customers from Yugoslavia, Switzerland, the FRG and Austria also ship their goods via Rostock.

In 1979, 2,813 ships from 35 countries were processed here. In all, more than 13.6 million tons of goods were transshipped last year.

The main services offered by the port of Rostock are transshipment, stowing and storage. Operated by the VEB Combine Sea Transportation and Port Affairs, it can be classified as economically effective within the sea transportation economy of the GDR.

The rapid growth in maritime foreign trade of the GDR will place higher demands on the ports of the country in the coming years. The expanded capacity of the Rostock port is being continued as planned and the degree of mechanization for general cargo transshipment is being increased and the Ro/Ro unit is being expanded.

The VEB Port of Wismar is a universal port which can handle ships having a length of up to 170 meters, a width of up to 23 meters and a depth of 27 feet. It has 17 docking sites.

The general cargo section specializes in the transshipment of general cargo such as lumber, rolled steel products and imported fruit. Sixteen stationary and four mobile cranes, as well as ground transportation facilities, function on the wharves, which have a length of 1,350 meters. A 60-megapond floating crane is also available. Both covered storage areas, as well as secured open air storage surfaces and floating storage areas, are available for intermediate storage. Primarily regular line service ships to Egypt, Algeria, Albania and South America are handled in this section.

The bulk goods section specializes in the transshipment of loose potassium salts for export purposes. The ships are loaded or unloaded at three docks by a modern potassium transshipment facility. It consists of a railcar unloading facility, two potassium storage halls, a wharf moving belt and the equipment necessary for loading ships. The goods can be classified in a third potassium storage hall according to various degrees of quality once it has been unloaded.

Grain is transshipped at a 200-meter long dock. Two pneumatic cranes unload the ships with an hourly capacity of 300 tons.

In 1979, 1,626 ships from 36 countries were processed at this port and, in all, more than 3 million tons of goods were transshipped.

The VEB Port of Stralsund primarily handles smaller ships from neighboring countries along the East and North Sea. Regular connections exist to the Soviet Baltic Sea ports. The main goods handled there are paper, cellulose, fertilizers, salt, hard coal, ore, kaolin and metals.

The port can bear ships with a depth of up to 17 feet--about 5.10 meters--and a size of up to about 3,000 tons of dead weight. It is connected to interior waterways via bays and lagoons.

Fifteen docking areas are located on a wharf having a length of 1,500 meters. The port is equipped with five cranes, a salt loading facility, and numerous ground transport facilities. Covered and uncovered storage areas, as well as six barges, are available for intermediate storage.

In 1979, 723 ships from 17 countries were processed at this port. In all, 763,000 tons of goods were moved on the wharf.

9527
CSO: 2300

POLAND

ANNUAL VACATIONS, SOCIAL FUND PLANS DISCUSSED

Warsaw SLOWO POWSZECHNE in Polish 28 May 1980 pp 1, 2

[Text] Own information--It is anticipated that this year 4.7 million persons will take advantage of vacations and, therefore, as many as in 1977. The number of vacationists fell to approximately 4.5 million persons in the last 2 years. This was caused not only by the inclement summer but also by the increase in the costs of the vacations, especially those organized in the private sectors. The preparations for this year's vacation action was discussed at the meeting of the Central Commission for Coordination of Workers' Vacations of the Central Council of Trade Unions (CRZZ).

Last year the supplementary payments from the plant social fund to the workers' vacations amounts to 5,750 million [zlotys] and covered 3,600,000 persons. For this year the plants have planned additional financing for over 3,800,000 persons in the sum of 6,325 million zlotys. This means that more than 200,000 additional persons will benefit from the supplementary payments for vacation rests and 500 million zlotys more than last year has been earmarked for this purpose. Many of the main boards and the Voivodship Trade Union Councils (WRZZ) anticipate an increase in the number of those vacationing abroad in the area of 2-5 thousand persons as a result of the modernization and adaptation of the seasonal centers for year-round exploitation.

The Workers' Vacation Fund (FWP) vacation base will be enriched by 4 new hotel buildings with 379 rooms in Szklarska Poreba, Niechorz, Mielno, and Zalesie. The needs of vacationing families have been taken into consideration to a greater extent than heretofore in the FWP installations. Approximately 7.5 thousand persons will take advantage of special vacations for families with children under 3 years of age.

According to the information from the main boards and the WRZZ's, plants have already introduced new regulations on supplementary financing of vacation rest, basing it on the amount of income of one member of the family. The use of the plant vacation base looks better. In many regions of the country, an exchange market for vacation and camping places and also reserve banks have been organized. Information about vacant places in plant motor coaches are flowing into these banks more and more frequently. This is a very valuable initiative which permits savings in fuel which is so strictly allocated to the work plants. Approximately 90 percent of the seasonal centers will receive the first vacationers in the June period.

CSO: 2600

POLAND

DISCUSSIONS ON FOREIGN TRADE INTENSIFICATION NOTED

Warsaw HANDEL ZAGRANICZNY in Polish No 1, 1980 pp 19,20

[Article by M.D.: "In Search of Ways to Activate Polish Foreign Trade"]

[Text] The discussion which was published under this title last year in HANDEL ZAGRANICZNY (No 4, 1979) is still of timely interest. This is shown by the conclusions coming from a meeting of the central party-economic activists' group held last September* under the leadership of PZPR Central Committee First Secretary E. Gierek and above all by the Guidelines of the Eighth Party Congress, a part of which concerned foreign trade problems. Therefore we can treat a review of the basic hypotheses put forth in the editorial discussion on the subject of the directions and conditions for the development of Polish foreign trade as a voice in the precongress discussion on this subject.**

The main thread linking just about all the statements in the discussion was the conviction as to the decisive role which foreign cooperation and exchange play in the processes of the Polish economy's development in the 1980's. In keeping with this it was stated that in view of the inadequate extent to which the economy was oriented toward export in the 1970's, it is essential above all to activate export and to expand its share of industrial production. Given the known structural conditions of our economy, the export of industrial goods, especially highly-processed ones, can represent the basic source for an increase in foreign exchange revenues necessary to satisfy import needs and provide for external equilibrium.

Given this hypothesis as a background, worth special emphasis is an assessment of the strong points of the Polish economy, which consist of the following, among other things:

First, the existence of a relatively large absorptive domestic market and above all the market of fraternal countries of the CEMA, which both creates possibilities for taking advantage of the benefits to be derived through the correspondingly substantial scale of production and, owing to the planned structuring of the division of labor with these countries, and greatly reduces the risk of misguided investments.

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*Viz HANDEL ZAGRANICZNY, No 9-10, 1979.

**This discussion, in which prominent representatives of science and practical applications took part, was held in the middle of last year.

Second, the existence of substantial, modernized production potential, especially in the electric-machine industry.

Third, the possibility of expanding previous export achievements, for example through changes in the production of existing manufacturing power.

Fourth, the commercial infrastructure which is developed, particularly on certain markets (trade representatives, companies, and so on) and the treaty conditions created in recent years.

This assessment surely does not exhaust the list of all the positive factors which can help accelerate export growth, especially factors such as the level of qualifications of employees in industry and foreign trade, the potential of the scientific-technical support base, and also factors such as natural conditions, including the resources of certain raw materials.

Nonetheless, as most of the participants to the discussion pointed out, the exploitation of these strong points to active exports will run into unfavorable external conditions to which our economy must adapt, and it also calls for the alternation of many domestic relationships and conditions which are unfavorable to this process. It is true that given the as yet minor role which Polish exports play in the turnovers of world trade even sizeable increases in them can be absorbed. Changes occurring in the world economy and world trade therefore do not represent a group of factors which determine the possibilities for development of Polish foreign trade. Nonetheless, we cannot count on having particularly favorable external conditions which will somehow automatically resolve our problems.

This hypothesis can be justified by the following developmental facts and tendencies which can be confirmed or anticipated.

First, the world economy is becoming less and less stable, and this fact cannot help but influence the economies of the socialist countries or their mutual economic and trade relations.

Second, there are new aspects bearing on the world's economy, particularly in the developing countries, like the region of the Persian Gulf, along with India and Pakistan, for example. For example now there is what is called the Japan zone of joint prosperity (including South Korea, Taiwan, Malesia, and Hong Kong). The area encompassing the West Coast of South America is taking shape. Smaller areas like Brazil, Venezuela, and the Ivory Coast are developing.

Third, new institutions are appearing on the world market. Alongside the multinational corporations already in operation there are also, for example, the tariff-free export areas, whose importance has been increasing significantly.

Fourth, industry in the highly-developed countries is undergoing a restructuring, as the result of which there are new structures which feature the manufacture of products which are very complicated technically and therefore involve increasingly greater outlays for research and development.

Fifth, in connection with the expansion of the EEC area, and because of the possible softening of the economic activity of highly industrialized countries, protectionist tendencies consisting, generally speaking, of the implementation of concepts of organized exchange, will become stronger. Here it is doubtful that the results of the present GATT round will lead to any real decline in the tensions between the major participants in international exchange, and it will be mainly the stronger partners who will enjoy the effects of reductions in tariffs (which in essence are not too great).

Despite these adverse features of external conditions and relationships, we can note some tendencies which favor the development of exchange. Some of the participants to the discussion pointed them out, including for example phenomena such as the following:

The internationalization of production, as manifest by the growing significance of the exchange of sub-assemblies, components, parts, and cooperation elements, and so on, inseparably tied in with the phenomenon of intrabranch specialization;

Acceleration of technology exchange, which either anticipates or accompanies the export of goods;

Development of modern means of transportation and communications, which are having an increasingly greater influence on the dynamics and effectiveness of international exchange;

Possibility of activating investment processes in connection with the overall upgrading of the business-outlook situation and as the result of the appearance of a large delayed demand for investment goods after a long recession period and reluctance to commit outlays.

Let us add here that the positive impact of these factors on the development of world trade will depend to a great extent on how international political relations develop, especially the the extent to which the tensions in these relations are overcome.

The participants to the discussion agreed that it is essential to deepen our knowledge of the changing external conditions. This represents one of the conditions which shape the structural changes in our economy in order to increase its export activity.

Most of the statements pointed out the decisive role which central planning plays as a basic source of the strategic concepts of development, because basic development choices are made during the planning process, and these choices should be consistently subordinated to this concept. The central plan, which integrates the ministry and sector viewpoints concerning the directions of development, should at the same time make sometimes severe cuts to reject those projects which do not fit the strategic concept.

Against this backdrop it was postulated that the qualitative level of programming and planning be upgraded, that the balancing and coordinating role of the central plan be strengthened, that the length of the plan period projected by lengthened, and hence that the decision-making nature of the multiyear plans be bolstered. The central plan's special role lies in its providing for comprehensive development and hence in its foreseeing the technical-balancesheet relationships in the sphere of material and cooperative supply, as adapted to the tasks of final production. For example, in this connection attention was focused on the need to create more small and medium-sized enterprises, which are the cooperative support for the larger organizations. This would make possible more flexible adaptation to the needs of foreign markets. Of course, the postulate of the complexity of economic development also applies to the shaping of the infrastructure of transport and communications.

Tied in directly with the planned structuring of the directions of export production is the problem of specialization and the methods for its selection and management. Certain differences of opinion occurred on this subject. In the opinion of some parties to the discussion, it is indispensable to have suitable mechanisms to somehow automatically shape the specialized directions of production. At the present stage it is essential first of all to expand profitable exports wherever this is possible. On the other hand, others pointed out the need to seek criteria for specialization (they emphasized that not everyone can specialize) and the need to make severe assessments of investment ventures from the viewpoint of their effect on the balance of payments and especially on the results in the form of the growth of profitable exports. This is related to the subject raised of the quality of the process of preparing investment decisions whose effects should be investigated with sufficient thoroughness, although the implementation process should proceed efficiently and with dispatch.

The questions regarding the criteria and methods of shaping export specialization pertain mainly to the processing industries. Nonetheless, these problems can to a certain extent also pertain to agriculture, especially against the backdrop of the postulate of making it less dependent on imports, and in the long-range view of making it take an active role in foreign trade. Some of the participants to the discussion pointed out, for example, that from the export point of view there were areas of crop production which had not been exploited (potato production, for instance) and that there were possibilities for developing processing for export purposes.

Alongside strengthening the strategic role of developmental concepts, as consistently expressed in the central plan (and then adhered to in the course of seeing that it is carried out), the bolstering of incentive mechanisms was seen as an especially important factor in the activation of exports. The predominant view was that it was correct to restore the principles of direct reward for effective exports, and, according to the spirit of some of the statements, this system should be directly oriented to the production enterprises. Under the conditions of the economic management system in effect, the consequence of this would be to make the effects of export separate from an assessment of the results of the enterprises' operations. The strengthening of incentives should be accompanied by absolute adherence to systematic principles (for example, like the obligation to repay investment credit through export effects). Here it was emphasized that it was the work of specialists to update the principles of the mechanisms for steering foreign trade.

An important current of the discussion consisted of problems of the macroproportions of economic development, in conjunction with the postulated acceleration of export growth. It was emphasized that it is essential to provide for the necessary minimum consumption growth rate and for a share of national income devoted to investments on such a level as to insure the modernization and further renovation of production assets. Here it was pointed out that maintaining the investment rate unchanged while there was a decline in the growth rate of national income would mean the deprecation of management effectiveness. Hence the postulates to reduce the share of national income devoted to investments are correct. On the other hand, the achievement of its higher growth rate (than in previous years, that is, 6-7 percent per annum) would require certain structural changes. Here it was pointed out that the achievement of a positive balance of foreign trade turnovers (necessary to enter into a process of relieving the economy of debt and reducing the burdens related to the servicing of foreign debts) will limit the size of national income for distribution. In an extreme situation, for example, with a produced national income growth rate under 4 percent per year, this would create the stagnation of the processes of distribution, which in the long run would not be acceptable, for social reasons, and would also limit the possibilities of economic development.

Against this background there is particular significance in the directions of the allocation of investment outlays, which must be subordinated to the principles of maximizing effects and the need to decisively bolster intensive factors of development which help bring about general improvements in the effectiveness of management. The efficient use of these factors will depend in turn on the improvement of mechanisms of the functioning of the economy, and also, to no small extent, on the motivation and incentives of a noneconomic nature. Both the former and the latter should exert an influence to make production processes more rational, to reduce the level of materials- and energy-consumption, to increase labor productivity, to follow qualitative norms, and also to obtain higher prices on the goods exported.

It is understandable that this discussion which has been surveyed here very briefly could not produce any final solutions. After all, its role was mainly to point out or merely present the most important problems. They are already now the subject of more detailed deliberations and research on the concept of the development of the Polish economy in the 1980's, and will continue to be. For this reason we shall return to them in later issues of HANDEL ZAGRANICZNY this year.

10790
CSO: 2600

VISIT OF TRADE UNIONISTS FROM DEVELOPING COUNTRIES NOTED

Warsaw SLUZBA ZDROWIA in Polish No 20, 16 May 80 p 2

[Text] A seminar for trade union leaders from the developing countries, organized at the initiative of the Central Council of Trade Unions (CRZZ), ended in Warsaw last week. In accordance with the program, the leading topic of discussion was the significance of the trade union movement for the development of the Third World nations.

The participants in the seminar familiarized themselves with the experiences and achievements of the Polish trade unions in such fields as the improvement of work conditions, labor legislation, co-management of work plants, and vocational education. They also visited several enterprises in Warsaw Voivodship, which permitted them to become more closely acquainted with the practical side of the activity of plant trade union organizations.

The trade union leaders from the countries of Asia, Africa and Latin America stressed the fact that the seminar had an unusually important significance for the unity of the international trade union movement, it was an opportunity to make direct contacts and have a mutual exchange of experiences, and it also became a platform for creating a climate conducive to mutually advantageous economic relations.

Also, they spoke approvingly about the activeness of Poland on the international forum and the peaceful initiatives of the First Secretary of the PZPR Central Committee, Comrade Edward Gierek.

Among the 37 trade unionists from 29 countries there were also unionists who were professionally engaged in health protection. They were Jasim Boudraid from Kuwait and Lun Kim Ang from Kampuchea.

Comrade Lun Kim Ang, a pharmacist, told the representative of our staff [of SLUZBA ZDROWIA] the following: "The visit in Poland fills us, citizens of Kampuchea, which was ruined by the Khmer Rouge, with great optimism. Looking at your beautiful country, which was, after all, rebuilt from aches and ruins in scarcely 35 years, we believe still more strongly that our fatherland also will quickly be an abundant and rich country, creating optimum conditions for development for its citizens.

"At this time, we must create everything from the basics: health protection and places for supplying medicines. We also wish for the trade unions to play a large role in the political system of our state and be treated as a genuine partner of the administration. The meeting in Warsaw had an invaluable significance with regard to working out a model of our trade union movement.

"I am speaking about these problems because I am a trade unionist and a pharmacist--one of the 18 surviving Kampuchean pharmacists. We have a multitude of problems, beginning with the insufficiency of pharmaceutical raw materials and ending with the lack of lecturers at the recently reactivated Faculty of Pharmacy in Phnom Penh.

"We have, however, the first achievements also: we have been able to activate two drug factories already and the third one should begin production very soon. We have also organized a special service for supplying medicines--its base are the hospital pharmacies.

"All our successes, however, were made possible in a great measure as a result of the assistance of the fraternal socialist countries. From Poland we received fully equipped medical ambulances, operation lamps and also medicines, for which--taking advantage of our conversation--I wish to thank the Polish nation most warmly."

CSO: 2600

TRANSPORTATION PLAN FOR 1980 OUTLINED

Warsaw PRZEGLAD KOMUNIKACYJNY in Polish No 2, Feb 80 pp 41-46

[Article by Feliks Daszczuk]

[Text] The main targets and ratios of the National Socioeconomic Plan for 1980 have been determined while taking into consideration the existing economic conditions and possibilities and, above all, the effects of the incomplete implementation of the plan's tasks in 1979. This applies also to the transportation service, which operated last year under conditions which had been made more difficult by a severe winter and by floods. It was then that numerous interruptions in the operations of the transportation service occurred, along with mass damage to the railroad and automotive rolling stock, an increase in the breakdowns of tracks and turnouts, of traffic-signal equipment, and of electric-locomotive trackage; the highway system also suffered considerable damage. This lowered the carrying capacity of the transportation service, which in a critical period was used efficiently, above all, for transport of coal and liquid fuels, foodstuffs, and also basic materials and raw materials.

In the second quarter of 1979, after the very difficult first months of the year, it was possible to effect a certain improvement in the situation of the transportation service; however, the need to repair the damage to the tracks and the rolling stock, and to repair motor-vehicle roads, prevented the transportation service from operating at peak efficiency. Under these conditions, absolute priority was still maintained with regard to transport of coal and transport related to the spring sowing action and the export of goods.

In order to restore the efficiency of operation of the transportation service, and to repair the damage as quickly as possible, the government, implementing the recommendation of the Political Bureau of the PZPR, took and put into effect a number of emergency decisions concerning, among other things, locomotive repairs, track improvement, highway repairs, and the expansion and modernization of the outgoing transportation lines from Silesia. The Ministry of Transportation was granted additional employment and wage funds as well as technical and material supplies for the fulfillment of the increased tasks which had been incurred by the winter damage. The full implementation of the above decisions was made difficult, however, by shortages of supplies and by the man-power shortage in the basic operating crews of the railroad and motor-vehicle transportation services (conductor and switching crews, drivers, service and repair facilities).

As a result of the decisions taken by the government and the effective action at all organization levels of the Ministry of Transportation and in the sub-branch transportation service, as well as the increased effort of the crews, the transportation service was restored to full operating capacity in the second half of the year, which was expressed, among other things, in the greater number of transport services as compared with in analogous period in 1978, and in the improvement which occurred in coal transport and in the successful completion of the fall transport of crops.

It should be emphasized, however, that the unfulfilled transportation tasks from the period of the first half of 1979 were not made up for, and that no branch of the transportation service fulfilled the assigned yearly tasks. Likewise, the planned economic ratios were not attained, especially in the areas of wage-fund trends and labor productivity; nor were the planned economizing tasks fulfilled in the management of materials and energy. An improvement of the situation in these fields is the basic condition for the correct and effective implementation of the plan's tasks in 1980.

The National Socioeconomic Plan for 1980 determines the tasks of the next stage in the implementation of the goals outlined by the resolutions of the fifth and sixth congresses of the PZPR. The principal goal of the plan is the achievement of further progress in the social and economic development of the country in conformity with the present conditions and possibilities. The lines of action adopted in this plan follow from the concept of actively solving individual problems including those of transportation, and form the basis for achieving further progress and development in subsequent years. This year's plan determines simultaneously the starting point of the national economy for the next 5-year plan, which will be set at the Seventh PZPR Congress.

To assure the implementation of the goals set in the National Socioeconomic Plan for 1980, it is necessary to achieve substantial progress in the quality of work and management efficiency while actively overcoming difficulties in the crucial areas, with particular attention to improving the situation in the power industry and in the supply and transportation services.

All the ministries of the economy have been committed to preparing detailed implementation plans, including especially the lowering of prime costs, improving the organization of work and also of the management of labor and of the wage fund, raising the efficiency of investment activities, improving the effectiveness of the use of materials and raw materials, improving the ratio of the growth of supplies to the rate of the growth of production and services, intensifying technological progress and increasing the quality of production and services.

The plan of the Ministry of Transportation for 1980, too, has been subordinated completely to these principal goals and lines of action. The main targets of the plan and the methods of its implementation were the subject of the session of an expanded executive council of the Ministry of Transportation on 10 December 1979, and the subbranch tasks and problems were discussed at executive and consulting sessions in the associations and in the offices of the District Management of the State Railroads.

At the end of December and at the beginning of January, plant plans were discussed and accepted by conferences of the Workers Self-Government.

In 1980, the transports of freight by the domestic and subbranch transportation service should reach the level of 1,666,000,000 tons, which signifies an increase of 49 million tons, or 3.0 percent, in relation to 1979. For standard gage railroads the increase amounts to 26 million tons, 15 million tons for the State Motor Transport Service [SMTS], 3 million tons for the subbranch automotive transportation service, and 3 million tons for inland-waterway shipping.

The planned freight transport services, divided according to the individual branches of the transportation service, are shown in Table 1. The standard gage railroad transportation service is to carry 469 million tons of carloads and to produce over 144 billion ton-kilometers, which represents about 76 percent of the total transport-service operations of the entire domestic transportation system. Bulk loads constitute as much as 78 percent of the planned increase in transport services, including mainly coal, construction materials, raw ore and steel-mill products.

The greatest increase in the operations of the railroads is concentrated in Silesia and is related to coal transportation which constitutes approximately 34 percent of the total transportservice operations. In connection with this, the transport servicing of Silesia has been recognized as a problem of particular importance and the most important task.

In 1980, it is necessary to transport from the mines approximately 207 million tons of hard coal. All the branches of the transportation service will be engaged in the implementation of this task. The plan anticipates carrying 167 million tons of coal by the railroads, over 12 million tons by automotive transportation service, and over 25 million tons by other means of transportation.

In the railroad transportation service the basic condition for fulfilling the plan of coal-transport services will be a regular supply of empty coal cars to Silesia from the whole system of the Polish State Railroads [PKP]. In this area it is necessary to observe strict discipline and to require full responsibility for the fulfillment of the obligatory quotas of coal-car movement.

The deliveries of rolling stock for the railroads, as planned for the current year, include 380 electric and diesel locomotives, 80 electric locomotive units, 292 passenger cars, and approximately 11,000 freight cars.

The operating services of the PKP have been placed under an obligation to organize transport-service operations in the best way possible so as to assure optimum utilization of the available rolling stock. Special attention is to be concentrated on shortening the turnaround of a freight car (up to 5 days and nights in the range of the PKP system) and on increasing the deadweight loading of a car (up to 33 tons) as well as on lengthening the distance traveled in 24 hours by electric locomotives (to 580 km in passenger traffic, and to 340 km in freight traffic) and by diesel locomotives (to 393 km in passenger traffic, and to 270 km in freight traffic).

In the area of the improvement of the technology and organization of operating processes, the following basic action lines have been adopted:

First: increasing further the range of transport service operations of complete direct-route and shuttle trains with regard to bulk loads as coordinated with recipients and shippers;

Second: improving the system of the organization of the movement of empty rolling stock to deficit regions, and particularly empty coal cars to Silesia, with simultaneously increasing the share of four-axle cars in the movement of coal cars destined for coal-loading;

Third: a stricter accounting to customers or holdovers of and damage to cars;

Fourth: improving the system of short- and medium-term planning of transport services, and striving toward greater feasibility of these plans.

One of the principal conditions for increasing the carrying capacity and safety of railroad traffic is the improvement of the trackage. The constant increase in the transport services and increasingly wider use of heavy locomotives and cars cause an increase in the load of the transport service operations on the railroad lines, requiring constant reinforcement of the roadbed. The plan for 1980 anticipates 2,700 km of constant replacement of rails, 1,425 km of secondary replacement, and replacement of 4,900 railroad ties. The fulfillment of these tasks requires on-time deliveries of rails, turnouts, and accessories, as well as good organizing of the preparation of track-maintenance work.

The State Motor Transportation Service should carry 234 million tons of loads in 1980, i.e., 6.4 percent more than in 1979. This requires, first of all, better utilization of rolling stock, particularly through further restricting empty runs of automotive vehicles. The important tasks include lengthening the operating time of large-load-capacity motor vehicles, shortening the stopovers of vehicles, and raising the coefficient of the mechanical readiness of trucks from 0.746 in 1979 to 0.759 in 1980.

The plan envisages the greatest growth rate for inland-waterway shipping as it anticipates an increase of approximately 15 percent in its tasks--to 23 million tons of cargo. The shipping will concentrate mainly on transporting coal to domestic recipients and for export, transporting ore and raw fertilizer on return trips from seaports, and transporting aggregates for the needs of the construction industry. In 1980, it is planned to achieve improvement of the mechanical readiness of pushtugs and barges, to expand the range of the use of shipping for extended trips, as well as to considerably shorten the stopping periods of ships in river and sea ports and at plant loading piers.

The plan for 1980 envisages a further growth of the activity of the Domestic Forwarding Enterprise [DFE], especially in the area of servicing the general-use routes and pickup and delivery of parcels from the DFE shipping offices. Special attention will be paid by the enterprise to increasing the utilization of empty runs of trucks and to the development of transportation of consignments in large containers (the plan anticipates transporting 875,000 tons of loads in large containers, i.e., 9.3 percent more than in 1979).

In air transportation service in 1980 it is anticipated that no new routes will be put into operation, except the extension of the transatlantic line to Chicago.

In domestic air transportation service, the Krakow airport will be temporarily closed for repairs. The available carrying capacity of the Polish Air Lines (LOT) will increase as a result of the purchase of one IL-62 airplane and also in connection with the improved utilization of the transport equipment already in operation.

In passenger transport services, the plan envisages an increase of 128 million persons, i.e., 3.8 percent of which the SMTS will carry 112 million more persons, and the PKP will carry 17 million more. The increase in the passenger transport services of the individual branches of the transportation service is shown in Table 2.

The envisaged increase in the transport service of the SMTS should be attained owing to the deliveries of 4,400 buses with a total carrying capacity of over 189,000 seats. The planned deliveries are approximately 11,000 larger than the 1979 deliveries, and the actual increase--after adjustments--will amount to approximately 1,300 buses with a total carrying capacity of over 44,000 seats. The mechanical-readiness coefficient of buses is to improve from 0.751 to 0.760.

In 1980, the railraods, the SMTS, and the Sleeping and Dining Car Enterprise (WARS) should undertake, on a wider than hitherto scale, activities aimed at improving the quality of passenger service. What matters here especially is observing the established train schedule, improving information as well as the advance sale and same-day sale of tickets, raising the standard of passenger service, maintaining cleanliness and improving the appearance of cars, buses, and stations.

In the plan for units of public roads for 1980, the outlays for road maintenance (not including outlays for expressway construction) have been set at 19.72 billion zloty, i.e., 3 percent (579 million zloty) more than the fulfillment of the plan in 1979, including 5.1 billion zloty for major repairs to highways and bridges and 5.9 million zloty for local roads. The planned funds will make it possible to complete 3,050 km of major repairs to state highways and to modernize 3,000 km of local roads.

The major repairs plan is subordinated to the principle of concentrating the funds on the modernization of major highways and, above all, highways connecting different regions.

Of the more important projects of modernization within the scope of major repairs of state highways is envisaged, among others, the concentration of the funds on the modernization of the E-12 Warsaw-Bialystok route and the roads in the Belchatow Industrial Area, as well as the continuation of work on the highways: Skoczow-Ustron, Gdynia-Koszalin, Skomielna-Sucha Beskidzka-Wadowice, Poznan-Pila-Koszalin, Zielona Gora-Szczecin-Swinoujscie. In 1980, the program of reinforcing the surface of major highways to a carrying capacity of 10 tons per axle will be continued, which will make it possible to obtain, by the end of the year, 24,000 km of highways capable of accomodating the traffic of heavy transport equipment.

In the implementation of the 1980 tasks an especially important problem is the necessity of urgently improving the mechanical condition of transport equipment and thus decreasing the number of inoperative, or not operating, locomotives, cars, automotive vehicles, and ships. For this purpose, above all, a maximum increase in the repairs of railroad and automotive transport equipment is anticipated. This corresponds to the envisaged change in the production of the industry of the Transportation Ministry, expressed in an increase of the share of repair-related production with a simultaneous restriction of new production.

In the plan for 1980, a particularly large increase in the repairs performed in Railroad Rolling Stock Repair Shops [ZNTK] is anticipated; the ZNTK have to repair: 3,172 diesel locomotives (an increase of 17 percent), 921 electric locomotives (an increase of 14 percent), 900 3,000V electric locomotive units (an increase of 9 percent), 83,000 freight cars (an increase of 16 percent), and 8,305 passenger cars (an increase of 12 percent).

Moreover, the ZNTK in Ostrow Wlkp. will build 1,000 four-axle coal cars, and the ZNTK in Wroclaw will build 800 special cars. The plants belonging to the ZNTK Association will also produce considerable quantities of track-maintenance equipment, as well as turnouts and spare parts.

For the plants administered by the Automotive Technical Facilities Association [ZZTM], the plan envisages an increase in major bus repairs to 8,100 units, i.e., by 10 percent, and an increase in major repairs of medium- and high-tonnage trucks to 23,600 units, i.e., by 5 percent). Within the scope of subbranch coordination, the ZZTM should provide in 1980 for performing, in its own facilities and those of other departments, a total of 56,500 major repairs of trucks with a loading capacity of over 2 tons, and 12,650 repairs of medium- and large-capacity buses.

In the area of foreign trade, the principal attention of the interested units of the industrial facilities and of construction enterprises is concentrated on the full implementation of exports of goods, and of export construction services. The export of goods to the countries of the I payments area [socialist countries] in the ministry's range is increased by 8 percent in value formulation, and the export of goods to the II payments area [Western countries] by 28 percent. The factual program of export production includes, first of all, ships, stone materials, and also road machinery and equipment. Stressed as particularly important have to be the tasks of improving the quality of production and of better cooperation with centers of foreign trade in search of customers for the products made by the Ministry of Transportation.

Imports from the I payments area will consist mainly of purchases of transport equipment and parts. In imports from the II payments area, over 80 percent of the allowable maximum is earmarked for purchases of spare parts for the rolling stock, machinery and equipment now in operation, and the remainder for necessary purchases of special equipment and machinery. All the interested units of the Ministry of Transportation are facing the task of further technical improvement of imports and of efficient utilization of imported machinery, transport-service equipment, and spare parts.

As a result of a penetrating analysis of the possibilities of the national economy, the Ministry of Transportation was granted, for 1980, investment outlays amounting to 40.5 billion zloty, including close to 12.8 billion zloty for construction and assembly work.

In relation to the 1979 fulfillment of the plan, this represents an increase in outlays of approximately 6 percent and an increase of over 8 percent for assembly and construction work. Moreover, on the railroads a portion of the work of modernization (among others, speeding up the reconstruction of some sections of the so-called port route, Silesia-Kluczbork-Jarocin-Gniezno-Naklo n. Notecia-Chojnice-Tczew) will be financed to a total of 1.5 billion zloty from the major repairs plan.

The available funds have been concentrated to the highest degree on the continuation of the tasks that absolutely must be completed in 1980. This year it is planned to hand over for use investment projects of a total value of 15 billion zloty, including approximately 400 km of electrified railroad lines, among them: Szczecin Dabie-Swinoujscie, Biala Podlaska-Terespol, Zabrze Mikulczyce-Kielcza-Fosowskie-Kluczbork (the so-called eighth outlet of Silesia), Herby-Wielun-Kepno, Zgierz-Kutno, numerous projects on the Steel Mills-Sulphur line Hrubieszow-Katowice Steel Mill, which are a requisite for an increase in the transport service capacity of this new rail route; a new set of tracks at the Lublin Tatary Station, a locomotive shop in Ostroleka, a motor vehicle shop in Jaslo, six SMTS depots, the West Warsaw SMTS bus station, a coal storage yard in the Gliwice river port, the first stage of the expansion and modernization of the Railroad Steel Structures and Crane Equipment Plant in Bialystok Starosielce, new shops in the ZNTK of Bydgoszcz and Minsk Maz.

Within the scope of the plant housing construction, it is planned to complete over 7,800 housing units with a total area of 418,000 m^2, including over 5,000 housing units for PKP employees, which signifies a further increase in relation to the previous years.

In addition to funds for the continuation of many investment tasks, this year's plan anticipates also the beginning of the implementation of particularly urgent and important tasks, such as the electrification of the Opole-Karlowice-Jelcz-Wroclaw railroad line, the construction of the next three SMTS depots, the construction of the next dam (in addition to the three now being constructed) on the upper Vistula--in Niepolomice; the expansion and modernization of the Automotive Repair Shops in Oswiecim and Boguchwal, and also of the ZNTK in Nowy Sacz, Wroclaw, and Minsk Maz.

As follows from the above examples, the investment activity of the Ministry of Transportation in 1980 is concentrated, first of all, on increasing the carrying capacity of the railroads on Silesia's outgoing transport routes and on the inner transportation system of this area, on an expanded program of electrification of railroad lines, on the modernization and expansion of selected projects of the operating and repair facilities of the railroads and of the automotive transportation service, and also on work related to the transportation development of the upper Vistula.

It is necessary to further strengthen investment discipline, to strictly observe the current norms and standards of designing, to increase concern for not exceeding the established investment costs, and to have a still better coordination of the activities of all the participants in investment processes.

In the area of construction by the Ministry of Transportation, the plan anticipates an increase in construction and assembly production to 16.4 billion zloty, i.e., 4.1 percent, which corresponds to the scope of work to be performed by the ministry's enterprises. The construction and assembly units must assure greater discipline of job performance, improvement in the quality of service, maintenance, and repairs of construction machinery in order to achieve an improvement in their mechanical readiness, improvement in the organization of work on construction projects, intensification of the use of the equipment and rolling stock through the introduction, among others, of shift work.

With the aim of assuring the implementation of the planned tasks of operations, repairs and investment, all the units of the ministry have been confronted with the task of achieving meaningful progress in the management of fuels, energy, raw materials, spare materials and parts, especially through strict compliance with economy procedures, implementation of programs of recovery and utilization of waste and secondary raw materials, use of substitute raw materials and materials and also local raw materials, expansion of recycling of spare parts, storage batteries, and tires.

An important matter is a further reform of the employment situation. The plan for 1980 anticipates an employment increase of 4,600 persons in the transportation service, and of 2,000 persons in the repair facilities engaged in repairs of rolling stock. In the construction industry, a further decrease, of 1,700 persons, in comparison with 1979, is to occur. Within the scope of the planned employment, it is absolutely necessary to assure the staffing of new projects and positions. The employment plans for the individual units take into account their basic needs simultaneously with further restrictions on employment in administration.

In employment policy, particular attention will be directed to the efficient staffing of positions, to the full implementation of programs of organizational and technical improvements and automation of labor-intensive operations, and also to the elimination of excess employment, to the improvement of work discipline and work standards. All the organizational units of the ministry will bear increased responsibility for the preservation of the economic ratios which have been established in the tasks for 1980, while not tolerating any acceleration in the planned rate of wage rise.

It is anticipated that average wages in the transportation service will rise 4.3 percent, in the production industry, 4.8 percent, and in the construction industry 3.3 percent. In order to keep within the established ratios, all the organization levels have been committed to making indepth analyses and controlling the fulfillment of tasks. Strengthening wage discipline is to occur, among others, through increased supervision of employee promotions, of the setting of bonus tasks and control of bonus payments to administrative employees and to workers, of the awarding of prizes, and also of other payments, especially those outside the wage fund plan and from the nonpersonnel wage fund.

The results of transport service operations in 1980 will depend, to a considerable degree, on the consistent implementation of the entirety of the tasks and undertakings in the field of the organization and technology of transportation and freight service operations.

On the principle of a conscious and necessary choice, the transport service potential will be concentrated on tasks which are the most important from the viewpoint of the entire economy, and the established transport service priorities must be strictly observed. These priorities will continue to include, above all, transport of coal, chemical fertilizers, goods for foreign trade, raw materials, as well as materials and products in sufficient quantities to assure the continuity of industrial production and also of crop production in the fall period.

The full implementation of the goals and tasks of the ministry's plan for 1980 requires maximum discipline in the accomplishment of and adherence to all its objectives.

The difficult conditions of the implementation of the tasks in 1980 require special methods of controlling and guiding the implementation of the plan at all levels. In connection with this, it has been envisaged, among other things, to update and complement the standards base and to appropriately utilize it for the intensification of the discipline of management of all factors of production and services, to increase efficiency in controlling progress in implementation of tasks, together with the restoration of central quarterly planning in selected and curcial sectors, increased quarterly control of the implementation of tasks, and also an expansion of the functions of the dispatching services in this area, especially with regard to managing the supplies of deficit materials and spare parts.

Among the important tasks is the review and verification of the standards base with regard to: standards of consumption of basic materials and raw materials, standards of labor and employment, and standards of consumption of fuel and of other energy sources. The action of the general review, of complementing and updating of standards is to be completed in the enterprises by 30 April, in the associations and equivalent units by 31 May, and at the ministry level by 30 June 1980.

Parallel with this, by 30 March 1980, a review of the organization structures of the associations and of other units, together with the determination of the scope and time-limit of the implemenation of programs aimed at simplifying these structures, decreasing the number of organization units and eliminating superfluous positions will be made.

The subject of on-going, very detailed control through the whole year will be, above all, the implementation of the transport service tasks as well as the operations of the technical facilities, especially in the area of repairs of railroad rolling stock, automotive transport equipment, and inland-waterway shipping, and also the task of meeting the planned goals of lowering of costs along with employment and wage fund trends and the economic ratios which are related to them, and, last but not least, the implementation of investment tasks, and the implementation of tasks in the field of management efficiency.

Table 1

Freight Transport Services millions of tons
millions of ton-kilometers

Specification	1978 Fulfillment	1979		1980 Plan	Percent	
		NSEP AFTER Changes	Fullfillment		1979 1978	1980 1979
Freight transport service in public and subbranch transportation service	1595,8 181642	1651,8 184724	1617 179061	1666 190544	101,3 98,6	103,0 106,4
Railroad transportation service	489,4 138101	490,5 138492	480 135362	506,0 144537	98,1 98,0	105,4 106,8
Standard gage railroad transportation service	478,9 137845	480,0 138240	470 135126	496,0 144300	98,2 98,0	105,5 106,8
Public automotive transportation service	224,4 9688,6	240,7 10580	229 9864	244,0 10597	102,2 101,8	106,4 107,4
SMTS (domestic transport services)	215,0 9183,0	232 10110,0	219 9325	234,0 10062,0	101,8 107,5	106,9 107,9
Subbranch Enterprises of automotive transportation service	818,5 14334	854,6 15607	844 14958	847 15157	103,1 104,3	100,4 101,3
Water transportation service	22,4 2654,0	24,7 3253,0	23,2 2036	26,6 2764,0	103,6 76,7	114,7 135,8
Inland-waterway shipping of the Ministry of Transportation	19,0 2505,0	21,0 3100,0	19,9 1895	23,0 2600,0	104,7 75,6	115,6 137,2
Pipeline transportation service	41,1 16864,0	41,3 16792,0	40,7 16841	42,5 17489,0	99,0 99,9	104,4 103,8

Table 2

Passenger transport services $\frac{\text{millions of passengers}}{\text{millions of passenger-kilometers}}$

Specification	1978 Fulfill-ment	1979		1980 Plan	Percent	
		NSEP after changes	Fullfillment		1979 / 1978	1980 / 1979
Passenger transport services by public transport service	3496 / 98194	3547 / 98434	3417 / 95675	3545 / 99714	97,7 / 97,4	103,8 / 104,2
Standard gage railroads	1124 / 46622	1125,0 / 46120	1093 / 45033	1110 / 46620	97,3 / 96,6	101,5 / 103,5
Narrow gage railroads	8 / 94	8 / 89	7,3 / 83,4	8 / 83	91,2 / 88,7	109,6 / 99,5
Public automotive transportation service	2353 / 48891	2401 / 49683	2304 / 47627	2416 / 50037	97,9 / 97,4	104,9 / 105,1
SMTS	2336 / 48460	2386 /	2288 / 47221	2400 / 49660	97,9 / 95,9	104,9 / 105,1
Air Transporation service service	1,8 / 2459	1,9 / 2400	1,9 / 2793	2,054 / 2833,0	110,7 / 113,6	103,1 / 101,4
Inland-waterway transportation service	9,1 / 127,8	9,5 / 142	9,7 / 139	9,5 / 141	106,6 / 108,8	97,9 / 101,9
Inland-waterway shipping of the Ministry Transportation	1,3 / 33,4	1,35 / 35,2	1,5 / 38	1,3 / 35,0	119,2 / 113,2	83,9 / 92,6

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EXPORT OF ROAD-BUILDING OPERATIONS DISCUSSED

Warsaw DROGOWNICTWO in Polish No 1, Jan 80 pp 9-12

[Article by Jerzy Trepinski: "Directions in the Developments of Exports in Road-Building Operations As Viewed against the Experiences of 1977-79"]

[Text] The year 1979 has come to an end. It was a year of intensive work by the DROMEX Road-Building Operations Export Enterprise to stimulate exports.

Among the positive occurrences in the activities of DROMEX, one should include acceleration in implementing export contracts, which in relation to the results of 1978 reached a dynamic increase of over 46 percent, mainly in the II payments area, a fact which even more merits attention. Good technical-economic results were achieved in the implementation of all contracts.

The present results are the outcome of prolonged effort by our work forces and the entire enterprise and of the activ's good cooperation with the conjoint units. They are also the outcome of a more flexible control system in the DROMEX enterprise.

To synthesize, these differences derive largely from the fact that greater freedom in decisionmaking has been effected in the design of DROMEX by:

--fully integrating in one organization the functions of the exporter and the executor of foreign contracts;

--introducing the organizational system of an enterprise specializing exclusively in activity abroad;

--authorizing DROMEX to import component means of production, materials, installations, and so forth, indispensable for implementing contracts;

--conferring authority to possess a free foreign-exchange account in the Bank Handlowy [Commercial Bank], in principle freely controlled by DROMEX in the credit system also;

--making the incentive factor more flexible for the enterprises conjoint with DROMEX in the implementation of export tasks;

--and simplifying the decision system in negotiating export contracts.

The basic aim of introducing in DROMEX an organizational-economic system different from that in the foreign-trade enterprise was to create conditions for raising the efficiency of the whole process of preparing and implementing construction exports, and in the final result gaining a greater economic effectiveness.

The basic measures--beyond the general programmatic ones which are obligatory in DROMEX for evaluating the outcomes of economic activity--are foreign-exchange gains and remunerativeness.

A third measure is allocating resale of the Commercial Counsellor Office foreign exchange in the form of a fixed rate of payment proportional to the quantity of export production--of sale. All three measures are obligatory for a long period and have constant parameters for a period of several years.

In assumption, developmental chances are also created, provided that the enterprise acquires foreign-exchange reserves. The measure of foreign-exchange balance, which is obligatory in principle for the whole foreign trade, has in practice a statistical character for DROMEX.

After 3 years of action, the question of whether the new principles have brought about the desired effects can be answered without hesitation in the affirmative.

This does not mean that the process of offsetting the negative effects and experiences of the past took place without difficulties and tensions. Certainly the overall situation of the nation's balance of payments had an impact also. We even encountered an instance, and relatively recently at that, when one of the foreign-trade enterprises--belong to the nation's first ranks--refused to accept an order to deliver materials to Libya only because DROMEX wanted to pay in dollars and not in foreign-exchange zlotys.

I cite this example to direct attention to the schematism of foreign-trade activity when the question is one of cooperation among the foreign-trade enterprises.

A 3-year period has now passed since the new principles were introduced in the functioning of DROMEX's activities. The achievements and shortcomings as well as the experiences accumulated during this time can and will be the basis for determining further directions for the development of exports in road-building operations.

DROMEX's Activity in 1977-79

Volume of Export Tasks Accomplished

The following table presents in terms of value the development of exports in road-building operations implemented by DROMEX:

[see next page for table]

For a full picture of this development we have considered the period from 1973 and have presented the progressive growth (in the last 3 years) of DROMEX's share in the overall value of exports implemented--of contracts already negotiated independently by DROMEX as an exporter.

In the I payments area (the socialist countries), road and bridge building operations have for years been traditionally carried out in the CSSR. In the years 1978-79, however, they underwent a reduction as a result of the Czechs' limiting financial resources for investments in this area.

At present on this market a contract worth 32.2 million foreign exchange zlotys has been implemented for the building of the Svoboda-Marsov road, negotiated by DROMEX in 1978.

Receiving new contracts will depend on the outcome of trade negotiations being conducted and the contracting party's propositions.

In 1977 DROMEX began activity on the GDR market as an exporter of railroad construction. The executor of these operations is the Railroad Construction Enterprise-10 (PRK-10) in Poznan.

The value of exports implemented on this market is gradually rising and in the past year reached almost 10 million foreign-exchange zlotys.

The main field of expansion in road- and bridge-building operations for DROMEX has become the Libyan market (I [as published] payments area].

As a result of the activization campaign conducted in the years 1977-79, DROMEX negotiated on this market 33 contracts altogether for a combined total of 649.3 million foreign-exchange zlotys. The four following long-term, basic contracts constitute 56.9 percent of this value: building the Tmini-Gubba roads (160 km long); building the Al Marj-Lamluda road (181 km long); belt road in Tripoli (46 km long); and building the Tripoli-Tarhuna road (about 100 km long).

The latter two are two-lane roads with technical parameters for through highways.

The object of all 32 contracts is to build altogether 607.3 km of roads and streets together with bridge structures. These contracts include, among others, the completion of: 7,711,600 cubic meters of earthworks; 4,764,500 square meters of base course; 11,967,200 square meters of pavement; 16.1 km of culverts; and 553.4 meters of bridges.

Increase in the value of exports in road-building operations in 1973-79

in millions of foreign exchange zlotys

Specification	1973	1974	1975	1976	1977	1978	1979 expected realized	% 1979/1973	% 1979/1977
Overall value of exports	20.7	44.4	114.2	154.6	162.5	151.8	221.9	1,072.0	136.6
DROMEX's share of contracts in overall value of exports (in percent)	----	----	-----	-----	22.3	67.4	99.0	-------	443.9
Value of exports in I payments area (CSSR, GDR)	20.7	29.7	32.3	47.4	38.9	17.2	21.9	105.8	56.3
DROMEX's share of contracts with I payments (in percent)	----	----	-----	-----	5.4	30.2	89.5	-------	1,657.4
Value of exports to II payments area (Libya)	----	14.7	81.9	107.2	123.6	134.6	200.0	-------	161.8
DROMEX's share of contracts with II payments area (in percent)	----	----	-----	-----	27.6	72.1	100.0	-------	362.3

By the end of 1979, the value of operations carried out within the framework of the above contracts rose about 340 million foreign-exchange zlotys, that is, 52 percent. In 1978 and 1979 the implementation of 20 contracts was completed.

The leading contracts have a decisive impact both on organizational considerations and on economic results. On their account, support bases are being created and production resources are being insured. Lesser contracts are negotiated to supplement the portfolio of orders or to benefit cooperation, for example, with the local authorities.

Libya today is a great construction site. This immense country, comprising over 1.7 million square kilometers, based economic development, as is well known, on crude oil, but not everyone knows how dynamically many branches of industry, construction, and agriculture have developed in the last years.

The sociopolitical system that was formed in Libya as a result of the revolution of 10 years ago promotes a dynamic and planned development. Expansion of the transport infrastructure ranks also among the crucial economic tasks.

The above factors determined the very noticeable presence of Polish enterprises in that country.

The competition of foreign enterprises is evident in each field. Besides DROMEX there are 20 other foreign enterprises that are building roads, bridges, and airports.

In statistical terms, every 10th kilometer of road is presently being built by the Polish enterprise. We are negotiating contracts predominately with the Libyan Ministry of Transport. All contracts are cash transactions. The enterprise is able to operate on self-financing principles by utilizing a system of payment on account and by suitably organizing credits.

DROMEX ranks among the largest foreign enterprises. In a relatively short time three large regional organizations have been set up--road building administrations near Tripoli, in Western Cyrenaica near Barki, and in Eastern Cyrenaica near Tmini.

The distance between the construction sites is from 300 to 1,500 km. For the latter two agencies, and thus for the entire Cyrenaica region, the separate Production Resources Plant was set up in 1979 in Al Abiav near Bengasi, the task of which is to render transport and repair equipment services and to insure production and delivery of rock aggregate.

In addition, the DROMEX agency and commercial office has a seat in Tripoli.

Besides an appropriate number of units directly concerned with production (construction-site management), the above-mentioned organizations conjointly include the following: five quarries producing road aggregate with a total output of about 2.5 million cubic meters annually; five shops for service and repair of equipment and transport for over 1,000 equipment and transport units with a combined strength of 107,000 HP; six plants for processing bituminous substances with an output of 640 tons per hour; five road laboratories provided with the most modern equipment; and office, hotel, and social support bases--for about 2,400 Polish workers at present--of a standard suitable to the local, difficult climatic conditions.

All organizational units are equipped with modern means of production. DROMEX imports machines and means of transport of the highest technical parameters. In many instances, imported machines are the newest equipment from Europe, the United States, and Japan. Also worthy of mention are the well-regarded bulldozers and excavators of the Polish contractor BUMAR.

Cadre at Export Construction Sites

Assuring the accomplishment of the growing tasks of the cadre responsible for building sites implemented abroad is a key problem, determining positive outcomes of export activity.

There are difficulties in this area which stem from the exceptionally large number of requirements set for candidates applying to work at the sites. These requirements concern not only high professional qualifications (education, work experience, reputation), but also moral and health qualifications.

To assure a proper selection of workers; an appropriate procedure for receiving and collectively evaluating candidates for the export construction sites has been introduced in the DROMEX Administrative Board.

Taken into consideration first are workers submitted by the enterprises grouped as follows: in the Association of Road and Bridge Operations (PRDiM); in the Central Board for Public Roads; in the Association of Road Quarries; in the Association of Mineral Aggregates and Raw Materials; TRANSBUD--Warsaw; ZREMB--Cracow; and CBSiPT TRANSPROJEKT (Central Office of Research and Plans for Roads).

Workers outside this grouping are employed in the event that application by the above-mentioned units does not fully cover the need and thus are primarily workers from professions in short supply. With regard to this group of workers, especially high qualifications in the area of education and work experience are obligatory, with preference given to professional training in the construction assembly enterprises.

Currently at the DROMEX export construction sites 2,870 workers are employed--2,400 in Libya, 200 in the CSSR, and 270 in the GDR.

The structure of employment in Libya, proportional to the largest central units, is as follows [in percent]:

Enterprises in the Association of PRDiM	30.8
Units of the Central Board for Public Roads	7.5
Association of Road Quarries	5.9
Other	55.8

The share of workers from units of the Ministry of Transport is still rather low in relation to potential possibilities and should gradually grow.

Particular concern is caused by the insufficient participation of, and constant lack of initiative shown by, workers from the echelons of the Central Board for Public Roads.

Workers employed in the CSSR are almost exclusively from the enterprises grouped in the Association of PRDiM, while in the GDR they are worker of the PRK-10.

In consideration of the difficult work conditions at the construction sites in Libya (desert or tropical climate, distance from town centers, and so forth), DROMEX put forward--and continues to do so--a series of initiatives directed toward introducing changes in the regulations concerning employment and remuneration of workers sent to jobs in that country.

Activization on New Markets

Since 1977, DROMEX has been carrying out an activization campaign on new markets in the area of road-, bridge-, and railroad-building operations, giving particular consideration to the countries of North Africa and the Near East.

The enterprise participated in no less than 10 important international competitive contract awardings, including, among others:

--building a belt road in Baghdad (the investor withdrew before construction was implemented);

--building the Baghdad-Habanija highway (accomplished in 2 months);

--building the Amman-Airport highway (took 4 months);

--building the Daura bridge in Baghdad in cooperation with the French firm Freyssinet International (the investor is currently examining the bid);

--and building and designing four bridges in Equador in cooperation with the Espinosa-Hidalgo firm.

As yet DROMEX has not obtained contract commissions on the new markets. Contributing to this are many national factors and many factors found on potential investment markets also.

The main factors of this sort are:

1. The lack of practical possibilities for DROMEX to accept export commissions implemented on credit conditions, which in many, especially railroad, investments are the rule. Because of the foregoing consideration the enterprise, in spite of having established contact with investors, was forced to withdraw bids made to carry out railroad-building operations in Nigeria, Niger, and Benin. In practice the above factor limits DROMEX's activization work to the "petroleum" countries entering into cash contracts.

2. Too high and rigid obligatory principles concerning the profitability and effectiveness of contracts. Entering a new market that is highly competitive demands bidding at an appropriately attractive (lowered) price. With the Foreign Trade Ministry's lack of agreement on applying preferential reduced tariffs in such a case, it is very difficult for DROMEX to enter a new market.

Evaluation of Results up to Now and Difficulties and Problems Requiring Solutions or Improvements

Based on the experiences of the last few years and on the results the enterprise has achieved, it must be acknowledged that the decisions and actions taken up to now in the area of development and improvement of exports in road-building operations were valid and correct.

Attesting to this are, primarily:

1. DROMEX's achieving a very rapid growth of exports while simultaneously complying with an appropriate standard of operations and with a prompt, often ahead of time, implementation of export transactions and, as a result, gaining high regard from foreign investors. Let us remember that DROMEX's share in total Polish exports to countries of the Third World amounts to about 6 percent, and to Libya almost 50 percent. It is thus a share to be reckoned with.

2. The enterprise's creating on the Libyan market a large productive potential not only within a short time, but also almost completely within a self-financing system.

3. Assuring a constantly growing, appropriately chosen cadre of workers for the export building sites.

4. The enterprise's introducing many innovative solutions and improvements in the organization and system of implementing transactions, bringing concrete economic results.

5. DROMEX's obtaining planned economic results.

Clearly the crucial factor is achieving the basic goal of the enterprise's activity, that is, obtaining foreign exchange for the national economy.

In evaluating positively the whole of DROMEX's export activity up to now, it should at the same time be emphasized that there are in this area many problems, difficulties, and shortcomings, the solution and elimination of which are to a great degree a requisite for further properly developing and improving exports in road-building operations.

One of the basic tasks depends upon exerting maximum efforts in exporting road-building operations to activize exports of Polish machines also, mainly construction machines, materials for fittings, and so forth. DROMEX, however, is faced here with many barriers and problems presenting an often insurmountable obstacle, such as: late delivery dates; the problem with technical service and spare parts; difficulties with getting credit at the time of purchase; and so forth.

In spite of the efforts made, DROMEX has not expanded its export activity onto other markets of the II payments area and has not yet obtained in that area a single contract in the field of railroad construction.

The enterprise's implementation of substantial export tasks only on one market of the II area (Libya), on the one hand increases the trade risk incurred, while on the other, it limits the possibilities for further increase in the value of implemented exports.

The absence of a contract in the field of railroad construction prevents adequate utilization of the considerable productive potential which exists in the nation in this area.

In 1980 we must strive for optimal utilization of the organizational and productive potential, a potential which we will continue to increase and modernize.

We should actively make use of the advantages of the international division of labor in developing a transport infrastructure in Libya and other countries, where the presence of our cadre can bring profit to us and to the developing countries.

PHOTO CAPTIONS

1. p 6 Section of the Hadaba-Tarhuna Road (Libya). Photographer D. Nowaczynski

2. p 6 Hadaba-Tarhuna Road (Libya). Photographer D. Nowaczynski

3. p 7 Bridge at dam on the Vrchlabi-Svpindleruv Mlyn Road. Photographer D. Nowaczynski

4. p 12 Pier on the Trutnow-Svoboda Road. Photographer D. Nowaczynski

5. p 12 Bridge in the city of Svpindleruv Mlyn. Photographer D. Nowaczynski

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PARTY JOURNAL CITES PROBLEMS WITH INCREASED ANIMAL PRODUCTION

Warsaw NOWE DROGI in Polish No 2, Feb 80 pp 177-183

[Article by Krzystof Sobczak: "Trends in Animal Production Development"]

[Text] The need to improve our ability to supply the market with meat and meat products continues to be a key problem in our food economy. It is a situation which is largely determined by trends in the animal production rate. Many actions were taken in the 1970's toward the development of this production without obtaining the desired results. To obtain an increase in animal production is not an easy matter. It involves numerous difficulties and obstacles resulting from the overall complexity of the existing conditions in Polish agriculture which are due to objective and subjective factors. Thus, in spite of the enormous effort made by the agricultural sector and a national policy aimed at supporting it, animal production development in the 1970's has been uneven.

Three different development stages can be said to have taken place. The first stage--between 1971 and 1975--was marked by a significant increase in the number of farm animals. The next stage, occurring between 1975 and 1976, was a period which can be noted for a significant production breakdown, while a renewed production boom can be observed during the last stage. In 1979, the number of swine reached 21.2 million head as compared with 13.4 million head in 1970. In the same year, the number of cattle totaled 13 million head as compared with 10.8 million in 1970, while the number of sheep reached a total of 4.2 million head as compared with 3.2 million previously. On the whole, we have made considerable progress in the area of animal production although this progress still falls short of our needs.

Animal production in the 1970's was significantly more rapid than the development of soil-grown production in the form of feedstuff production. On the average between 1971 and 1978, soil-grown production showed a 1.8-percent increase as compared with a 4.1-increase in animal production. This situation had the effect of producing specific pressures on the available feed supply, and shortages stemming from increased animal production had to be supplemented by increasing grain and feed imports--a course of action which in turn put a great burden on the national economy. Therefore, the guidelines for the Eighth PZPR Congress draw attention to the necessity of decreasing grain and

and feed imports and of augmenting the country's own feed supplies in defining its assignments for the future development in the number of farm animals for 1981-1985. Thus the development framework of animal production has been subordinated to the objective of a nationally self-sufficient feed supply. The guidelines stipulate that cattle raising and quality improvement in this area of production should be seen as the chief goal to be pursued by the animal production sector. It is contemplated that the number of cattle should increase to a total ranging between 15 and 15.5 million head. Such a decision is being prompted by the fact that existing conditions in Poland have been favorable to cattle breeding. This is a country with many meadows and pasture lands. Its soil yields a well-developed fodder production, while its cows are of good quality from a genetic point of view. All these factors contribute to creating conditions for the continued development of this branch of animal production.

An increase in the number of calves raised long enough to be partly grown is a basic prerequisite in the further development of the number of cattle in this country. Our agricultural sector is given to practice the unsound and still widely prevalent custom--particularly in Central and Southeastern Poland--of slaughtering 50- to 60-pound calves, almost a week after they are born. It must be noted that this trend is on the decrease. At the end of the 1960's calf slaughter on farms totaled close to 2 million head out of the 5 million that were born. It is estimated that during the current year, this slaughter will amount to 7,000 calves.

Animal breeding establishments dealing with the sales of these animals have been joined by the central headquarters of the meat packing industry in contracting for and buying up calves because of the need to supply nationalized and specialized farms with animals for breeding. The nationalized cattle-fattening farms which have been doing this work for many years do not yet have at their disposal a large enough herd of cows to be able to expand reproduction on a larger scale. Hence the necessity of providing these farms with animals to be fattened.

In spite of the actions taken and the profitable rates offered by the project, significant numbers of farmers--especially from small farms--continue to assign newborn calves for slaughtering. In the autumn of 1978, the ministry of agriculture developed a program for the raising and management of an additional 400,000 calves. Suitable conditions were created for individually operated and nationalized farms to engage in calf-raising. In addition to a profitable rate, these farms have been receiving milk substitute products, protein feeds, coal etc...Because nationalized farms are raising calves on a larger scale for the first time, the necessity arises to build calf pens housing close to 100,000 stalls--an arrangement which by rotating the calves twice during the year will make it possible to raise 200,000 calves. The remaining 200,000 will be raised on individually operated farms. The farms selected are the ones whose accommodations and feed supplies make it possible to raise at least 50 calves at a time.

The task of slaughter-cattle production is less a matter of quantity than it is of quality. At present, it is chiefly calves over 3 months old, bullocks and culled cows which are included among slaughter cattle. Two technologies can be put into practice when fattening young cattle--the methods of intensive and extensive fattening. With the intensive fattening method a calf 3 months old or over will acquire its slaughter weight (close to 450 kg.) in a period of 18 months. This method is based in great part on grain and other protein feeds. The extensive fattening method, on the other hand, is based on farm-grown feeds--mainly corn silage--and it requires 24 to 30 months to produce slaughter-ready animals.

Despite appearances to the contrary, it is not so simple to decide which of the two fattening technologies should be used. Intensive fattening is a rapid process accelerating stall rotation (daily weight increases react between 1,000 and 1,300 grams) while the meat obtained is of the highest quality. However, as I have already noted, it requires costly grain feeds which are not being produced in sufficient quantities and which must be supplemented with costly imports. Extensive fattening entails the exact opposite of the former process. It seems that both in the present situation and the near future, extensive fattening ought to be given priority, because of the grain feeds shortage, with grains being reserved for swine. In a situation where grains would be readily available and prices relatively low--as is the case in the United States, for example--a different management decision might be justified.

There is an availability of additional organizational methods--I am deliberately leaving out a whole group of questions pertaining to feed-quality improvement and to more efficient feeds--to be applied to slaughter-cattle production. Thus this country possesses many more resources for significantly improving slaughter-cattle weight as well as for improving meat quality and increasing its use in the fattening process. In order to attain these objectives, it is necessary to make more extensive use of commercial crossbreeding between less productive cows and bulls of the beef variety. Crossbreeding of such cows with the beef variety bulls gives good results and is commonly practiced in countries which breed cattle of the mixed dairy and meat variety as Poland does. Such crossbreeding, results in an equal amount of milk but with higher quality calves possessing a greater ability for feed assimilation and for more substantial weight gains. While it is estimated that such crossbreeding (the offspring being exclusively assigned for slaughter) should include close to 30 percent of the entire country's less productive cows, during the current year only 10 percent of all the cows are included in commercial crossbreeding with wide disparities between voivodships. All the existing artificial insemination units have an adequate amount of bull semen at their disposal--the Charolaise variety in particular. Other beef varieties such as Limousin and Piedmont will be included in this process in the nearest possible future. However, in order for the cattle-breeding industry to profit fully from the results yielded by the crossbreeding method which has been discussed, the agricultural sector is in need of more efficient organization. This would entail the recruiting of an agricultural workforce and forming artificial insemination plants.

The Ministry of Agriculture has also made the decision to purchase a small quota of beef cattle for the production of its own bulls. At this point, a question could be raised as to why beef-cattle raising is not being given priority in

Poland. The answer is complex. In most countries beef cattle are fattened in pastures for at least 8 to 10 months of the year. For this reason, countries with a climate similar to ours do not raise beef cattle on a large scale. On the other hand, the use of the intensive fattening method in which feeds consist of grains makes beef production very costly.

However, there are regions in Poland where the extensive method of beef-cattle fattening can be practiced. This includes some regions in the Sudeten, in Bieszczad, in the northern part of Olsztyn Voivodship as well as in large grassland territories neighboring rivers. Thus, it seems justified to raise beef cattle on a small scale at first and on an experimental basis. This project can and should be expanded in keeping with the degree to which these experiments turn out to be successful.

The next problem to be dealt with is the elimination of losses incurred by the widespread practice among farmers of selling many low-grade cattle without waiting for them to reach adequate weight. There are some good possibilities for extending the length of time devoted to fattening such head, and actions to this effect have been taken this year. Cattle fattening is conducted by individually operated farms, agricultural circles and meatpacking industry purchasing centers, as well as producer cooperatives having periodically unused accommodations and feed surpluses at their disposal. As an incentive to participate in this type of cattle fattening, farms receive, in addition to the base rate, a 10-percent premium for the beef which is sold. The benefits that could be derived from such an option are largely determined by the agricultural sector's organizational skills and the support, among others, of the meatpacking industry, which after all has an interest in getting high poundage and high quality in its slaughter cattle.

Milk production--milk being the cheapest source of animal protein--is as important for our country as meat production. For a long time, the number of cows in Poland has maintained itself at 6 million head with no substantial increase being anticipated in the near future. At any rate, such a need does not arise at present. However the need for improving cow productivity is the basic problem to be dealt with. In 1978, the average milk yield from a cow totaled a bare 2,700 liters--a figure placing Poland in one of the lowest levels in Europe. Yet our own experiences show that with proper nutrition, care and accommodations it would be possible to obtain 4,000 liters of milk from every cow. Therefore, we are quite capable of a significant increase in milk production without having to increase our cow herd. This does not mean, however, that the cattle-raising sector need not to take measures to increase cow milk yield. I am thinking here about dairy farms in particular, as well as other units specializing in milk production. These farms need to be supplied with high productivity materials.

Cow milk yield can be increased by the method of gradually improving a given race as well as though crossbreeding--in this case, crossbreeding the best milk cows with bulls from the dairy races. Holstein bulls are being used for this purpose in Poland. Holstein cattle are a variety of black and white cattle which has been selected for many years exclusively for milk production.

Thus, the milk yield from cows of this variety often reaches a level of up to 8,000 to 10,000 liters a year. Significant quantities of high-protein feedstuffs (chiefly grains, corn, soy grains) are needed to obtain such a high level of production. Not without significance here is the fact that Holstein milk contains significantly less fat than milk from black and white cattle.

Large-scale Holstein cattle breeding in Poland must be made subject to the availability of feeds which at present are chiefly derived from imports. An equally important question bears on whether increased milk production would compensate for the shortage of dairy fats which can be felt on the market at present. An unequivocal "yes" or "no" answer as to the question of whether or not to engage in large-scale Holstein cattle breeding is not possible. It seems, however, that this race of cattle should be raised--as is already being done--in barns equipped with industrial technology. It should also be raised on individually operated farms situated in regions of urban concentration. However, widespread Holstein cattle breeding could bring detrimental economic results.

I have mentioned only a few of the problems associated with an intensification of cattle breeding in Poland in the 1980's as stipulated by the guidelines of the Eighth PZPR Congress. The choice of cattle breeding as the main direction in animal production is a rational decision. In our conditions, work along this line will make it possible to obtain with relatively speaking the most ease, the least expense and in the least amount of time a high milk and beef production quota, while also utilizing the domestic feed production potential.

But putting a priority on cattle raising cannot be allowed to weaken our interest in pork production. Our hog herd totals somewhat more than 21 million head at present and this figure should be increased to between 23 million and 23.5 million by 1985, as stipulated by the guidelines. Thus the chief swine raising task in the coming years is not so much a matter of quantity as it is of quality. This is because swine productivity has been consistently decreasing, while the existing feed-utilization conditions have been getting worse--a fact which is also true indirectly of stall utilization. While in 1970 one pig could yield 123 kg of pork, this was reduced to 104 in 1978. While it is true that swine production is higher in national agriculture, nevertheless there is a distinct lack of progress.

In order to provide for the contemplated increase in the number of swine in the next 5 years, it is essential to maintain high standards for the sow herd. The present number of sows is adquately providing for reproduction needs from the point of view of farming as a whole. In the case of nationalized farming, however, the situation is quite different. This sector is not adequately supplied with sows, while its needs for piglets and gilts for fattening are not fully provided for. This piglet and gilt shortage is supplemented by purchases from individually operated farms. However, it also needs to be said that sow productivity is very low in this country. The average yield from a sow amounts to no more than 10 gilts in a year period. There are many farms, however, where a sow yields 20 to 23 offspring. With proper reproduction, care and correct offspring raising, the number of sows could be halved in a relatively short time (that is, 1 million head) and replaced by cutters. In other words, an additional million slaughter pigs could be raised without changing the level of feed utilization.

Heterosis, a term referring to the high rate of hybrid reproduction, is worthy of mention among the factors stimulating pork production. The utilization of heterosis makes it possible to obtain more offspring in a litter, better feed utilization and higher pork yield. The swine hybridization program developed by the Ministry of Agriculture and by the Zootechnics Institute is in its final implementation stage. The construction in Pavlovice, a town near Leszno, of a swine hybridization center has been completed and the use of hybridization in the next 5-year plan will bring about specific economic gains.

One of the important prerequisites for bringing about progress in swine production is a return to the practice of farm swine raising--a practice which farms have abandoned for various reasons. In 1978, more than a million individually operated farms failed to engage in swine raising. Out of that fiture, 600,000 were small farms with up to 2-hectare-square areas. Included among them is a group of farms specializing in fruit growing for example and other areas of farming production where swine raising is not economically justifiable. There are other farms, however, which have abandoned this form of production for various other reasons. A return to swine raising by only some of this group of farms could bring about a significant increase in pork production. A council of Ministers' resolution passed during the current year and related to a program of small-farm activation creates suitable prerequisites for this goal.

The feed situation will be the primary and decisive factor in successfully attaining the production level of the swine herd stipulated in the guidelines of the Eighth PZPR Congress. To provide for essential feed supplies needed for the maintenance of the contemplated number of swine, the action to be taken must have two goals. The first goal consists in intensifying domestic feed production, while the second one requires a rationalized feeding procedure in order to obtain a significant improvement in feeding effectiveness. The guidelines of the Eighth PZPR Congress draw attention to both these goals.

The proposed development program for animal production attaches a great deal of importance to sheep raising. This is a goal in keeping with the growing domestic and foreign market demand for wool and skins. The 1970's have brought about significant advances in this production. Specifically during the period between 1975 and 1977 a significant increase in the number of sheep took place. Animal productivity has increased and the flock's favorable genetic and production traits have been improved. The number of sheep totals 4.2 million head at present with 35 percent of this figure to be found on nationalized farms. The number of sheep should reach the level of 5.5 to 6.5 million head by 1980 an increase in the ewe flock with a simultaneous improvement in reproduction quality are the basic prerequisites for reaching the contemplated number of sheep.

In past years, it was the amount of feed available which determined the rate of growth in the number of sheep. At present, with feed material in adequate supply, the basic task consists in improving the flock's genetic makeup with regard to wool quality and quantity as well as in raising the number of lambs in a litter. This task should also consist in an effort toward improving slaughter-lamb feed conversion as these lambs are in great demand in France, the FRG, Italy and the Benelux countries. Intensive studies are being conducted in this area by ministerial institutes and Ministry of Science, Technology and Higher Education units.

Up to the present time, sheep raising on individually run farms has been based on small flocks made up of a few sheep--a practice which constitutes a purely subsidiary form of production. This is not a favorable trend. Every possible action must be taken in order to provide solid foundations for sheep raising on these farms. Farms and cooperatives specializing in sheep production have been created over the past few years to achieve this goal. This trend toward specialization must undergo intensive development in the years between 1980 and 1985.

Market needs also make it necessary to further intensify production of poultry and small animals. The continued construction of large modern farms to be added to the nationalized farming sector is the chief method used to achieve the goal of developing this sector of animal production. It must be pointed out, however, that while poultry production brings rapid results in the form of increased meat and egg production, it also consumes great quantities of the highest quality grain and protein feeds which are chiefly derived from imports. Thus it is a matter of primary importance to bring about a radical improvement in feed effectiveness within the poultry production sector. As shown by the results obtained on the best farms in Poland and in other countries, there is a vast potential in this area.

There is also the matter of production of freshwater fish. We have at present at our disposal close to 60,000 hectares of ponds and 300,000 hectares of lakes and storage reservoirs for the production of freshwater fish. For some time, the results obtained have been unsatisfactory. The weakness resides in the fact that an inadequate amount of fry is being produced. It resides also in delays in new pond construction and modernization.

Fry production takes place chiefly in hatchery centers found in state fisheries. The solution to the problem must be sought in a more extensive use of war waters discharged by power plants. As a result of its occurring in warm waters the fish fry's growth can be greatly accelerated and its survival rate increased. In exceptionally favorable conditions, for example, it is possible to reduce by a year the length of time needed for a carp's growth, and to thus obtain market-ready fish in the second year after spawning. Raised temperatures in water reservoirs make it possible to develop herbivorous fish production such as amura. But ponds are and will continue to be the chief production source for freshwater fish, hence the problem of new pond construction and modernization acquires a special importance. Action in this sphere has been lagging and it should be significantly intensified in the years between 1980 and 1985.

Future animal production as planned for in the guidelines of the Eighth PZPR Congress has a fundamental importance for further improving the nation's food supply. Thus, the entire agricultural sector and the economy as a whole must make the utmost effort to attain this goal. Once again I would like to stress the fact that further progress in farm animal rearing is based chiefly on an increase in feed production. The agricultural sector's primary goal should be to strive for a feed production level exceeding the rate of growth of animal production. This is fully possible as our agricultural branch has many resources at its disposal for increasing feed production.

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BRIEFS

CATHOLIC ORGANIZATION DONATION--PAP--In connection with the National Remembrance Month, the chairman of the Social Association of Polish Catholics (SSPK), Dr Jan Matuszynski, handed to Minister Janusz Wieczorek another gift of money in the amount of 1 million zlotys for the construction of the Children's Health Center (CZD). Also, the director of the POLKAT Works, Zygmunt Matuszak, handed over a subsequent gift in the amount of 600,000 zlotys for this same purpose. [Text] [Warsaw SLUZBA ZDROWIA in Polish No 20, 16 May 80 p 2]

HEALTH WORKERS UNION MEETING--A meeting of the Presidium of the Main Board of the Health Service Workers' Trade Union (ZZPSZ) was held on 8 May 1980 with the following agenda: assessment of the labor law, the status of safety and labor hygiene regulations, and the social and living conditions in plants subordinate to the Association of the BIOMED Serum and Vaccine Plants; and also an analysis of the accident rate at work in 1979. [Text] [Warsaw SLUZBA ZDROWIA in Polish No 20, 16 May 80 p 2]

FLEET FUEL CONSUMPTION REDUCED--The cost of fuel currently consumed by the fleet comprises 70 percent of the operating costs. The Polish Steamship Company approved a decision in June 1979, in regard to applying the so-called economical rate of speed for ships, i.e., a reduction of up to 80 percent in the power output of the main engines. The savings on this basis amounted to 40,000 tons of fuel in 1979. For example, daily fuel consumption on the following motorships was: 36.6 instead of 40 tons on the "Uniwersytet Slaski"; 43.6 instead of 46.6 tons on the "Turoszow"; and 25 instead of 32.2 tons on the "Ziemia Mazowiecka." In 1980 the ships of the Polish Steamship Company will thereby save approximately 60,000 tons of fuel which would cost 10 million dollars on the open market. [Text] [Gdansk GLOS WYBRZEZA in Polish 20 May 80 p 2]

CSO: 2600

ROMANIA

EFFECTIVENESS OF INVESTMENT POLICY EXAMINED

Bucharest ERA SOCIALISTA in Romanian No 8, 20 Apr 80 pp 4-7

/Article by Prof Dr Ion Romanu/

> /Text/ Important investment programs, which have given a never-before encountered impetus to Romania's social-economic development, have been carried out in the years of socialist construction. From 6.3 billion lei in 1950, last year the volume of investments rose to 206.2 billion lei, that is, 32.7 times greater.
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> As a result, fixed assets rose 8.1 times in the same period, a fact whose effect was an increase of 14.3 times in the national income, or more than 10 times if calculated per capita. Thus, the figures prove the inseparable unity between the country's accelerated progress and investments. Fulfilling the commanding investment programs has required from the fixed capital-producing industrial enterprises as well as from the construction-assembly organizations and the design institutes greater technical-organizational efforts, which have been materialized in supplying all branches of production with equipment and installations which are more and more improved, in the modernization of the structures of our national economy, balanced development of Romania's counties and creation of an increasingly more favorable framework for extending social-cultural activities.

At the National Party Conference in 1977, Comrade Nicolae Ceausescu addressed to all our people the call for them to intensify their efforts to change quantity into a new quality, this being a basic requirement upon which the future of the entire national economy depends. In the area we are concerned with, one may say that the change of quantity into a new quality involves strict respect for the plan forecasts, irreproachable execution of all projects and increase in the economic efficiency of investments.

The problems connected with the need to make a qualitative leap in investment activity have been in the recent period the subject of special analyses for the party leadership, a fact which in itself proves the importance being given to investments in the context of current and long-range development of our national economy. On the initiative and under the presidency of Comrade Nicolae Ceausescu, working meetings have taken place with designers, technologists and builders, with cadres in the area of investments and from other economic activities, meetings where very current measures and tasks were outlined for exemplary fulfillment of this year's investment plan.

As we know, the Communique on 1979 Plan Fulfillment brought out the fact that the investment plan was not fulfilled in its entirety, recording lags in the schedules planned for a large number of social-economic projects. Thus, of 1,300 production capacities which are being followed at the central level and planned to be put into operation last year, 580 were not fulfilled, the result of which was the national economy's lacking a large production potential which was to furnish products either for economic needs or for the population's consumption. It is true that 30 production capacities were placed into operation ahead of schedule (being planned for 1980), but this number is too small to compensate for the losses caused by the ones which were behind.

One of the main defects of the construction-assembly organizations, which caused procrastination of projects on the job sites and failure to respect the schedules for being put into operation, lies in dispersing the available forces over too large a number of projects, starting many investment projects almost at the same time without having the minimum conditions assured for carrying them out at a normal rate. Analyzing this state of affairs, the RCP Central Committee Political Executive Committee at its 5 February 1980 meeting criticized the lags in a number of projects and requested that forces be concentrated on existing job sites to rapidly eliminate all lags. Thus, the finalization of projects must be placed in the center of concerns as well as the organization of activity in such a way so that the construction enterprises seek to obtain not the largest value production but the largest possible finished physical production, since we know that the national economy does not need value production but a production capacity capable of producing socially necessary products. A welcome measure in this regard and one which must be strictly respected lies in the fact that, in the future, the opening of new job sites will be approved only if all necessary conditions are assured for carrying out the projects continuously and if the particular job sites have been supplied with the equipment, materials and [illegible] force, so that there is a considerable reduction in the period it takes to place the new projects into operation.

An important contribution in reducing the time it takes to fulfill the investment projects can be made by the beneficiaries of the projects, particularly in case they have large resources available--equipment and a labor force. It is not conceivable for the beneficiary enterprises to view the projects indifferently while they have an appropriate construction potential; it is not admissible for some production capacities not to be put into operation on planned schedules if it is the builder's fault, without the beneficiary intervening decisively, with his carrying out the projects himself with his own forces.

We have good experience in this regard. Let us generalize it and require everyone to do this. It will cost us less and we will carry out the particular projects two-three times faster. The need for carrying out the projects with our own forces is not limited only to industry; projects in agriculture, road and water management projects also should be carried out by the agricultural production cooperatives and the people's councils. As the party leadership indicated, building units should be organized in each commune and all existing available cadres in the communes should participate in carrying out the projects in their free time.

One of the causes creating great disturbances in the activity on the job sites and which causes failure to respect the schedules for placing projects into operation is the lack of synchronization between building the construction projects and delivering the equipment for assembly. There are cases where the big manufacturing halls have been built but stay unsupplied, since the equipment suppliers have not honored the contracts concluded; there also are frequent cases where the equipment has arrived on schedule but the halls have not been built, which is the builder's fault. Both situations are equally harmful to the national economy. At the end of last year equipment valued at around 5.5 billion lei was on the job sites, equipment whose length of parking time was too long; this is much too large a figure in proportion to the rate at which investment projects are fulfilled. What is particularly alarming is that the value of equipment whose parking time was too long at the end of last year was 50 percent greater than the previous year. An analysis of the causes for this undesirable situation shows that , on one hand, the blame lies with the equipment suppliers, who do not respect the normal progression of assembly projects or who deliver incomplete installations (40 percent of existing equipment on the job sites do not meet all the conditions for being assembled) and, on the other, the builders, who have not respected the planned schedules for putting the investment projects into operation or who have given priority to the more easily fulfilled projects and have not created the appropriate assembly front.

Spreading the construction activity over too large a number of job sites is due in many cases to the fact that the construction organizations do not have available the technical-economic documents according to which the investment projects are carried out and, better stated, they do not know the succession of jobs which must be done. For this reason, the builder does only ly one portion of the job for a project, that is, those for which he has received the technical documents and he moves his forces to another projects where he also does only several of the known jobs and so on, later returning to the unfinished projects as he gains complete receipt of the technical-economic documents. The lack of execution plans and estimates deeply harms the good progress of activity on the job sites and makes work take place with periods of fits and jerks. It is the obligation of the design institutes to assure all the technical-economic documents needed to carry out the projects included in the state plan, within the schedules established with the beneficiaries and executors of the jobs and to eliminate the practice of handing over incomplete or poor-quality documents, which have to be redone.

Arrears in fulfilling the investment plan to a great extent also have been caused by failure to respect work discipline. Statistical data prove that thousands of hours are lost on the building sites due to unmotivated absenteeism, particularly on the first working day of the week and last working day and stagnations of building equipment take place due to the lack of workers or due to not doing the repair and maintenance jobs within the time planned. Energetic measures are required on each job site to have strict respect for labor discipline and to establish a steady and permanent rate of work from each one in this economic branch. And this is because work in construction, being teamwork through excellence, means that the arrears in fulfilling the production plan for one person automatically reflect on the team level and even the entire collective working on a certain project.

One of the key problems in construction is the quality of the jobs. The fact is that there are many cases where construction jobs leave a lot to be desired from the viewpoint of quality. Most times the defects could not be determined upon final receipt, a matter of so-called hidden vices. Thus, the end was that a short time after projects which, upon reception, received qualifications of "good" and "very good" were put into operation, defects would appear in the installations, masonry, roof, plastering and so forth. The remedies required not only additional expenses but also interruptions in production. Achieving a radical turning point in construction activity in the direction of improving the quality of jobs involves, first, strengthening the technical assistance which engineers and foremen must give to each job and all the shifts. Also required is strengthening the control from the beneficiaries, particularly with regard to the operational aspect of control as the jobs are done, knowing that subsequent control is not always sufficient.

As we know, a relatively large number of workers coming from the rural environment are active in the construction branch, many of them being commuters. Their vocational training in special courses or on the job and, to no less an extent, the progress of sustained political-educational work in the end is a decisive condition for establishing complete order and discipline on the job sites and for the strict quantitative and qualitative fulfillment of the plan tasks.

We know the action being carried out nationally to save on material and energy resources. In the area of investments, this action, with a broad field of development, is taking on special importance. First, the designs are being called on to work out technical-economic documents, taking into account the need to speed up standardization action in the area of industrial, agrozootechnical production , transport and social-cultural construction. Standardization activity must be finalized in standards and catalogs of products with precise and required characteristics in all sectors of design and execution. At the same time, utilization of traditional natural resources for construction (stone, granite, clay, marble) is required to a greater extent and the more intense use of bricks, tiles, ceramics and materials obtained with a lower consumption of energy compared with cement, iron-concrete and prefabricated products.

An important contribution to the action of economizing on material and energy resources may be made by adopting the most efficient construction solutions, by reducing material consumption but, more importantly, by eliminating the waste found on a number of job sites.

A special task belonging to designers, equipment suppliers, fitters on the job sites as well as the beneficiaries of fixed assets lies in adopting appropriate measures with a view to reaching the technical-economic parameters planned as fast as possible for the production capacities put into operation. A big role here belongs to the designers, called on to give necessary technical assistance all through execution of the investment projects, to make tests and, after that, to utilize the fixed assets placed into operation until they are working at the parameters planned. In turn, the suppliers of equipment and the assemblers are required to deliver the equipment and assemble it in conformity with the technical prescriptions, to prove the maximum correctness in carrying out the operations they are responsible for. In the end, the beneficiaries must follow with greater strictness the way in which the jobs for technical equipping, testing and breaking-in jobs, must operate the capacities placed into operation according to the technical standards established by the designer and the enterprise which has produced the equipment, machinery and installations.

Reaching the parameters planned as fast as possible is a task of great responsibility and basically is the final and most important goal of investment activity, the basic criterion in evaluating the economic efficiency of the investments.

In this regard there is special importance in loading the equipment and installations to maximum capacity and having complete fulfillment of the plan for maintenance and repair of the fixed assets on time and under good conditions. There are enterprises where these jobs fail to be carried out on time or they are done superficially, reducing the planned periods intended for this purpose, which has repercussions on continuity in the operation of the equipment, on their output and, implicitly, on fulfilling the planned physical production, rate and quality of production. Attention again was drawn at the working meeting of the RCP Central Committee this February to the fact that the maintenance and repair of technical equipment is a basic part of production activity. A positive influence on the efficiency of this activity is exercised by the organization of machine-tool and general-usage equipment repair in a centralized way, by geographical zones, ministries, centrals or groups of enterprises, by listing all capital repairs in the units' annual plans, specifying the main modernization jobs, and by increasing the production of spare parts and by strengthening control over the management of fixed assets and so forth.

It should be remembered that 1980--the last year of the 1976-1980 five-year plan--is decisive not only for the current five-year plan but also for the next one, since this is the connecting year between these two long-lasting plans. In this light we must also consider the measures for steady fulfillment of jobs on the job sites, placing the planned production capacities into operation on time and increasing the economic efficiency of investments.

Resulting from an examination of the Directives of the 12th party congress on Romania's social-economic development in the 1981-1985 five-year plan and future guidelines up to 1990 we have the fact that Romania will continue to allocate large material resources for development of the material-technical base. It is forecast that a 30-percent share of the national income is to be distributed to the fund for social-economic development with a view to financing the broad investment programs which Romania is proposing to carry out.

As we know, establishing the proportion in which the national income is distributed in the development fund and the consumption fund is one of the main choices--if not the main one--for any country's development. If we compare the figures on the share of development fund in total national income forecast for the next five-year plan with those of the previous five-year plan, we find that this share in the 1981-1985 is lower. At first glance, the comparisons may lead to the conclusion that the national economy in the future will receive reduced investment capital, a conclusion which proves to be wrong upon a more careful analysis. The following table is conclusive:

Period	Share in development fund(%)	Total volume of investments (billions of lei)
1951-1955	17.6	58
1956-1960	16	88
1961-1965	24.3	188
1966-1970	28.8	314
1971-1975	34.1	517
1976-1980	33-34	1 trillion
1981-1985	30	1.3-1.35 trillion

As we see, although the share of development fund in the next five-year plan will be 3-4-percent lower, the volume of investments will be greater by around one-third compared with the current five-year plan, which represents a considerable increase for a relatively short period of only 5 years. So, even for the current five-year plan (1976-1980) one may say that the share of development fund (33-34 percent) has been lower than in the preceding five-year plan (34.1 percent); despite this, the volume of investments has doubled (1 trillion lei in the current five-year plan compared with only 517 billion in the preceding one).

The explanation for this situation lies in the fact that 1 percent of the share of the development fund in one five-year plan is not comparable to 1 percent in another, since this figure is applied to a differing mass of national income, which is much greater from one five-year plan to another. Thus, 1 percent of national income in the current five-year plan represents 24.6 billion lei, while 1 percent of national income to be achieved in the next five-year plan will represent 33.6 billion lei; thus we have a considerable difference.

Another calculation shows that if a share of development fund is maintained at the 34-percent level in the next five-year plan, then the investment capital would total 1.5 trillion lei compared with the 1.3-1.35 trillion forecast in the directives. Taking the facts into account, it is clear that the 34-percent share would lead to establishing an investment plan which actually would have exceeded the technical and organizational capacity of our national economy to fulfill and place into operation the particular projects.

Establishing the 30-percent share for the development fund and 70 percent share for the consumption fund in total national income thus was done by taking into account the stage of social-economic development which our country has reached, the possibilities for financing and for fulfilling the investment programs and the needs of our economy for development of the material-technical base. In accordance with all this, the proportion mentioned may be considered optimum.

Allocation of a large portion of the national income for the fund for social-economic development assures that Romania remains among the countries with a high rate of economic development. By placing new investment projects into operation, the national income in the next five-year plan will rise at an average annual rate of 6.7-7.4 percent, while industrial production will rise at an 8-9-percent rate, which continues to give the Romanian economy a progressive nature, assure the country's general economic and social progress and place new bases for the continued rise in the material and spiritual standard of living for all the people. It should be mentioned that Romania is proposing to achieve these rates under conditions where the world's industrialized countries are being confronted with serious problems of economic recession and aggravation of inflation and unemployment.

The increase in the national wealth will have a direct influence on the rise in the country's economic potential and will contribute to gradually reducing and eliminating the differences still separating us from the economically advanced countries. At the same time, modernization of Romania's economic structures, rapid renovation of the material-technical base for all branches of the national economy will take place.

As is known, an innovative nature as a rule belongs to any investment, since investments bear technical progress, with their bringing the newest achievement of modern science and technology. This finding is proven by the fact that, as is forecast, 70 percent of the next five-year plan's machinery, equipment and installation production will be comprised of products being placed into manufacture for the first time in our country.

At the same time, fulfilling investments at the level forecast permits and makes necessary an emphasis on the qualitative aspects, made specific in this area by an increase in the efficiency of investments and fixed assets.

As a result, it is forecast that the production obtained per 1,000 lei fixed assets in industry should rise considerably in the next five-year plan, with this indicator at the same time bringing improvement in the degree of usage of production capacities.

Modernization of economic structures also is closely linked with the way the investments are distributed by branches. Truly, achieving this depends on the fact of whether those units located in the peak branches of the economy which bring technical progress, which stimulate and contribute to the development of the other branches of the national economy will benefit from large investment capital. In this regard it is stipulated that the investment capital should be directed in particular toward the development of the production branches, which will benefit from around 85 percent of the total volume. Some 1,200 new production capacities in industry will be placed into operation and around 1,100 existing units will be modernized. In industry, greater investment capital will be distributed to metallurgy, machine building, electronics, chemistry and so forth. Once more the basic option of the party's economic policy, established for a long period of time, has been proven--that of continuing the job of the country's socialist industrialization, by which the progress of all the other branches and rise in the people's standard of living and the independence and sovereignty of the Romanian state are assured.

The investments will be carried out by projects in such a way so that the economy may benefit from the machinery, equipment and installations needed for full assertion of the technical-scientific revolution, intense promotion of complex mechanization and the automation and cybernetization of production. It is clear that the task of assuring the increase in national income to the greatest extent due to growth in social labor productivity may be fulfilled only under conditions of the optimization of investment plans, materialization of investments for those projects which are the most necessary ones for the national economy in the periods immediately following this one.

Distribution of investments by branches takes into account the need to carry out a certain reorganization of industrial development in the future, placing the emphasis on branches which consume lower quantities of fuel and energy. At the joint plenum of the RCP Central Committee and the Supreme Council for Social and Economic Development in July 1979, Comrade Nicolae Ceausescu pointed out that "we will reject existing production capacities in the category of big oil and energy consumers or we will reduce them to what is strictly necessary." Parallel with this, measures were taken to develop the base of raw materials and energy, for which purpose the particular branches will benefit from higher investment capital.

A new orientation in the distribution of investments by projects is extending the number of small capacities to be designed and put into operation, with them to be placed predominantly in locations which do not have available an appropriate industrial potential or in zones around the cities, thus creating some satellite units near the big industrial centers. The measures adopted in this regard correspond to the current stage of development of our industry and aim at obtaining better and better results in the activity which is taking place in this important branch of the national economy together with improvement in the territorial distribution of production forces.

For the development of agriculture in the 1981-1985 period, the 12th party congress approved the allocation of an investment fund of 155 billion lei, which is 22 billion more than initially forecast, as recommended by the party's secretary general. The investment funds will be directed toward arranging irrigation for an area of 700,000-1 million hectares, with existing irrigated area throughout the country to reach nearly 4 million hectares. With a view to increasing the degree of supply of this branch with mechanized resources, new equipment and agricultural machinery will be acquired from the investment funds so that by the end of the next five-year plan agriculture will have available around 145,000 tractors (compared with 120,000 in 1975) and 42,000 propelled combines (compared with 18,000 in 1976), thus creating new conditions for increasing production and labor productivity in agriculture.

Large funds are forecast to extend and modernize the material-technical base in all the other branches of material production.

With regard to the material base of social-cultural activities, housing construction activity stands out in particular and it will see new dimensions in the new five-year plan. According to forecasts, 1.1 million apartments from state funds are to be put into use , among which 440,000 are intended for sale to the population. Taking demand into account, around 1 million apartments of the total of those to be built will be placed in municipalities and cities as well as workers' centers; also, housing will be built for singles with 50,000 places. At the same time, the state will supply building materials needed for 100,000 residences which will be built by the population from their own capital.

An important chapter in investment policy is the development of the counties and systematization of the territory economically and socially. Gradual improvement in the territorial distribution of production forces, as a result of the investment programs, has permitted establishing as major goals for 1985 the achievement of a total production of at least 70,000 lei annually per capita in the industrial, agricultural, construction, transportation, service and other areas and a total volume of industrial production at at least 15 billion lei for each county. In correlation with these goals, in mind is that at least 400 working persons per 1,000 residents exist in each county. As a result of the radical changes which will be seen by our villages, 140 commune centers will be changed into agroindustrial cities, a fact which will mean that the population from our country's urban environment should reach nearly 55 percent.

The investment programs carried out in the last three decades--a component of party economic policy--have been the material support for the entire process of Romania's social-economic development. New guidelines for investment funds in the coming years strengthen the certainty that Romania will continue to see remarkable new progress in socialist construction in the construction of socialism, by consolidating the material-technical base of all branches of the national economy, assuring economic growth and continually raising the quality of life.

8071
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ROMANIA

PARTICIPATION OF WORKERS IN DECISION-MAKING PROCESS

Bucharest ERA SOCIALISTA in Romanian No 8, 20 Apr 80 pp 8-9, 42

/Article by Nicolae Bujdoiu, university assistant Al. Deniforescu of Brasov/

/Text/ Diversifying and amplifying the workers' participation in the leadership of all areas of activity are an objective law of our society's progress, answering the demand for the transition to a new quality through social-economic activity and the requirements involved in the new economic-financial mechanism and development of worker self-leadership.

A job of impressive proportions which proceeds from the working class' achieving political power in alliance with all the other revolutionary forces, socialism for the first time in history creates the objective base for all workers' participation in the decision-making process in all areas of social life, giving all members of society, without any discrimination, the role and status as producers, owners and beneficiaries united in their particular and general interests and their interests for now and the future.

The broadly democratic framework established both in social and economic life as well as in political activity currently assures a permanent contact, a lively dialog with the workers about all the problems concerning society's progress and the development of each area of activity, from those of general interest up to the ones of more restricted interest concerning a certain locality or work collective.

The specific and effective nature of socialist democracy is expressed in a broad area of forms and means by which the workers may participate in the decision-making process. As Comrade Nicolae Ceausescu recently emphasized at the plenum of the National Council of the Front for Socialist Democracy and Unity, "it is very important for us to discuss the big problems of domestic and foreign policy but it is just as important that we discuss with the broad masses and unite their efforts for the good management and solution to the problems in each village, each street, each enterprise, each locality. In the end, the problems on working and living conditions and the masses' participation in the leadership of society are not solved only by adopting general decisions; this must be expressed in the masses' direct participation and in finding solutions for all problems, big or small, together with the working masses."

Knowledge and evaluation of the trends of evolution which are prefigured in the area of participation in the decision-making process are a permanent working task for the social sciences and for sociological research. Of course, just as the efficient operation of democratic institutions is not merely assured in a general way but concretely, in practice in each area of activity and each labor collective, so the scientific approach to these phenomena cannot be achieved from generalizing positions but rather from the perspective of a differential, comparative analysis by proceeding from specific realities.

Our country's social-economic reality offers sufficient arguments to demonstrate that socialism is changing the workers' participation in the decision-making process from a desire, an ideal, into everyday reality, with this clearly being due to the sustained effort in the direction of creating and institutionalizing some organizational structures based on the principles of socialist democracy.

On the theoretical-ideological level there are frequent discussions of the ways and forms for implementing democracy, with a number of modern ideologies casting doubt on the future of the masses' real and effective participation in the leadership of society. Jacques Ellul has proven to be such a skeptic; in a work significantly for his concept entitled "Political Illusion," he asks whether the "people are capable of discerning the technical-scientific and economic competencies of the decision."[1] The working masses' participation in the decision-making process, in his opinion, is a simple promise, even an illusory one, since in today's capitalist society the scientific-technical revolution demands that only the technicians, the very specialized groups of people make the political, economic and cultural decisions. Daniel Bell also builds his rationale in a similar way; for him, "the main contradiction in modern capitalist society occurs not between those who hold the production forces and the proletariat but it is defined by the bureaucratic and authoritarian relations established between those who hold power in working out the organizational decisions, the social-political and economic decisions, and those who do not hold this power."[2] According to D. Bell, this contradiction is caused by the modern scientific-technical revolution, which itself requires that only the so-called "technocratic elite" take part in the decision-making process. Such concepts have as their result disengagement and discouragement of the workers in their objectively based effort to obtain a real access to decision making.

Although the modern scientific-technical revolution brings elements of complexity with regard to participation in the decision-making process, requiring higher and higher competence, socialist society has conditions available so that the sphere of participation is not restricted but, on the contrary, extends to the level of all the people. As Comrade Nicolae Ceausescu stresses, "we now have available an organizational, legislative and legal framework which is broadly democratic and which assures the participation of

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1. Jacques Ellul, "L'illusion Politique," Paris, Laffont, 1965, p 159.

2. Daniel Bell, "The Coming of Post-Industrial Society," New Yor, Basic Books, 1973, p 119.

all workers, regardless of nationality,and all social categories in the leadership of society. We have a unique socialist democracy in its way--superior to any other form of bourgeois democracy--based on the common ownership by the workers of the means of production and in which the workers are the true masters of everything they create with their hands and their minds, and of all the country's wealth."

This broadly democratic framework opens the prospect for the direct participation of all citizens in the leadership of various sectors of activity. Of course, viewed in time, the transition to the active and effective phases of the workers' participation in the decision-making process does not take place automatically, just as relations of socialist ownership--which are established as the objective base for total achievement of participation in the decision-making process--do not appear automatically and are not generalized all at once. Under the conditions of socialism, the workers' participation in the decision-making process represents a new social behavior. Like any new social behavior, it requires a certain time to be assimilated and interiorized as an act of awareness but, in particular, to be made objective and generalized as an act of social behavior.

The masses participation in the leadership of society is conditioned by a correct understanding of social-economic phenomena development of democracy being closely connected with raising the political-ideological level and socialist awareness of all the people. Research carried out by the teaching cadres at the chair of philosophy, scientific socialism and history at the University of Brasov confirmed that the problem of the workers' participation in the decision-making process should not be approached "in general." At least three main types of demonstration of this behavior were brought out during the research: actively informational participation (when the workers intervene in the organizational structures including them with contributions in defining the problems on which decisions must be made, specifying the means and goals of social actions, expressing critical positions, asserting a self-critical position and participation in making decisions through a verbally motivated vote); actively creative participation (in which the workers intervene with proposals of content regarding the solutions to current or future problems); formal participation (expressed by the simple presence in the organizational structures or by participation in decision making through an unmotivated vote, that is, not accompanied by their own arguments). Actively creative participation is the most relevant indicator, since it expresses in an overall way the innovative assertion of the personality of the members of the workers' council.

Proceeding from these methodological considerations, in particular our research has sought to measure--in a 6-month period--the level of participation of members of workers' council in leadership from the following Brasov enterprises: Tractor Enterprise, Bearings Enterprise, Carpatext Fabric Enterprise, Nivea Enterprise and the Wood Processing Combine. The research shows first that these collective leadership organs are fulfilling multiple roles in the economic, social and cultural area, contributing to having their members achieve a status as active participants in the leadership of all activity in the state economic units.

The sociological research undertaken has brought out that in these enterprises, as everywhere in Romania, the participational organizational structures operate like democratic institutions, forums for discussing and solving the complex economic, technical-scientific , cultural, social and human problems. At the same time, it brought out that in the particular organizational structures in the enterprises investigated there are some disfunctions caused by the phenomenon of alternating the creative type of active participation with the formal participation or informational type of active participation. For the length of time in mind, each member of the workers' council has the opportunity to participate in six meetings devoted to solving various problems specific to the enterprises. The analysis of the speeches during the discussions showed that not all members of these collective leadership organs asserted themselves during the meetings in a creative way, since only 83 speeches with solutions were given. This relatively low level of participation, which we defined during the research as "actively creative," is compensated, however, by a high degree of demonstration of the "informational" type of active participation, carried out in 371 speeches with critical and self-critical contributions, the resultof which was a more precise outlining of the problems, thus preparaing the way for decisions to be made.

We know from the specialty literature that the dimensions of the creative type of participation are affected by a number of pressing factors. Our research has brought out several of the more important ones in the category of these factors: a) The relatively low degree of information which some members of the workers' council have in connection with the progress of the goals sought in the leadership act; b) The lack of experience and knowledge connected with the leadership act from some members of this collective leadership organ who have jobs to perform in the enterprises; c) Overestimating the old style of "unipersonal leadership" from some members of these collective organs and the lack of understanding of the unity between individual and collective responsibility in making, carrying out and checking the decisions; d) The temperamental nature of some members; e) The poor motivation of the conduct of social and not only individuals.

Destroying the disfunctional influence of such pressing factors of participation through intense work of training each workers' council member with the necessary knowledge, including that of the theory of collective leadership and organizational social psychology, is a need demanded today with a force which is all the greater since it is clear that such disfunctional aspects are caused not by the institutional frmaework, but, in principle, by the totality of individual and social factors.

With a view to destroying the negative effect of these pressing factors of participation, we feel it is necessary to have a deeper and broader informing of the members elected to the workers' councils regarding the general problems now and in the future of the enterprises. In particular, this is on the basis of mastering economic legislation, having a thorough knowledge of party and state documents on the development of sectors and branches of the national economy and, also, on the basis of intensifying the communication between these workers' council members and the worker personnel in the enterprises which they represent.

At the same time, the research made has brought out that it is necessary for the current commissions for problems at the workers' councils to be utilized more efficiently to raise the level of creative type of active participation of the members of the collective leadership organs in the decision-making process. Often, these commissions draw up reports which are to be presented for discussion in the collective leadership organs, but the particular reports actually are simply reports of some sections or enterprise services. These reports, subject to being put into concrete form excessively, also often have a language of presenting the information which is extremely specialized. Undoubtedly, the role of the commissions for problems should not be underestimated since they, together with other forms and mechanisms of collective leadership (general meetings), are intended to raise the indicators of real participation, whether it is creative or informational. Reaching the maximum value of the indicator of actual participation in the leadership act is an ideal, of course, but it is possible to reach since, even now our democracy offers the framework for participation in leadership by the majority, not in general, but almost all the workers. In this context, the party feels that action must be taken to continue improving the activity of the organs created and the direct and active participation of workers in the leadership of social-economic activity should be assured.

The requirement for bringing out and measuring the phenomena of the type of polarization of participation in the decision-making process, through research in the social sciences, as well as the requirement to eliminate the causes of formal participation result from the need to increase the functionality of the democratic framework instituted in the socialist enterprises in the current stage. The practical importance of studving these problems, including through the means of sociological research, consists of the applications which the conclusions of such studies may have for the continual optimization of the organizational structures created.

Increase in the workers' real participation in the decision-making process is one of the most ipowerful active means by which the capacitv and creative force of the working masses is expressed. Integrated into the broadlv democratic framework of the participational organizational structures, thev act efficiently toward achieving the basic interests of the workers now and in the future. A predominant role in developing worker democracy is plaved by the conscious and political-ideological factors, professional competence, broad informational horizons, full understanding of individual responsibility in the context of the efficient operation of collective organs and the continuing development of socialist democracy.

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